

EUROPEAN NEWS

OECD joins optimists on W German economic outlook

By David Goodhart in Bonn

AT LEAST another two years of high growth are forecast for West Germany by the annual report on the country by the Organisation for Economic Co-operation and Development.

subsidisation and to remove micro-economic impediments to investment and employment creation," the report concludes.

ANNUAL REPORT PROVIDES NEW PERSPECTIVE ON SOME VENERABLE BELIEFS

THE STATISTICS in the West German economy assembled by the OECD put into proper perspective three of the most popular beliefs about that economy: that West Germany's corporations are at the mercy of its banks; that rising labour costs are reducing industrial competitiveness; and that companies are rapidly increasing direct investment abroad.

There are, of course, other sources of bank power, but when companies do not need to borrow it is less easy to push them around.

(€28bn) thanks mainly to interest rate differentials. However, direct investment abroad as a percent of gross fixed capital formation was 4.5 per cent in West Germany, 4.1 per cent in the US, 2.5 per cent in Japan, 12.2 per cent in the Netherlands, and 18.7 per cent in the UK.

contributed to faster expansion. But the growth of private consumption was relatively sluggish.

Unemployment will fall to 7 per cent in 1990 but the spurt in productivity reduced total employment growth in 1988 to 0.6 per cent and jobs in the goods-producing sector have fallen 5 per cent since 1982.

The OECD expects GNP growth of 2.75 per cent in 1990, just below the Government's estimate of 3 per cent. Many of the positive trends from 1988 and the first half of 1989 are set to continue, in particular high business investment and house building.

On the debit side they see no prospect of reducing the current account surplus, which may in fact rise. They also repeat their criticisms of rigidities in the labour market and in service industries and point out that subsidies as a percentage of gross national product have risen from 3.7 per cent in 1982 to 4.8 per cent in 1988.

"There seems to be little scope for macro-policies alone to contribute to the international adjustment process or to speed up the absorption of still high unemployment. It is therefore important that further efforts be made to reduce

overshoot target ranges. With profits and the structure of corporate balance sheets at their best position in years, business investment was the most buoyant component of domestic demand with its share of gross national product attaining the highest level for more than a decade.

Also the upswing has been more broadly based than in the past and acute sectoral pressure points have been less evident.

Increased private residential construction triggered by mild winters, arrival of ethnic Germans from the East bloc, and shorter depreciation periods,

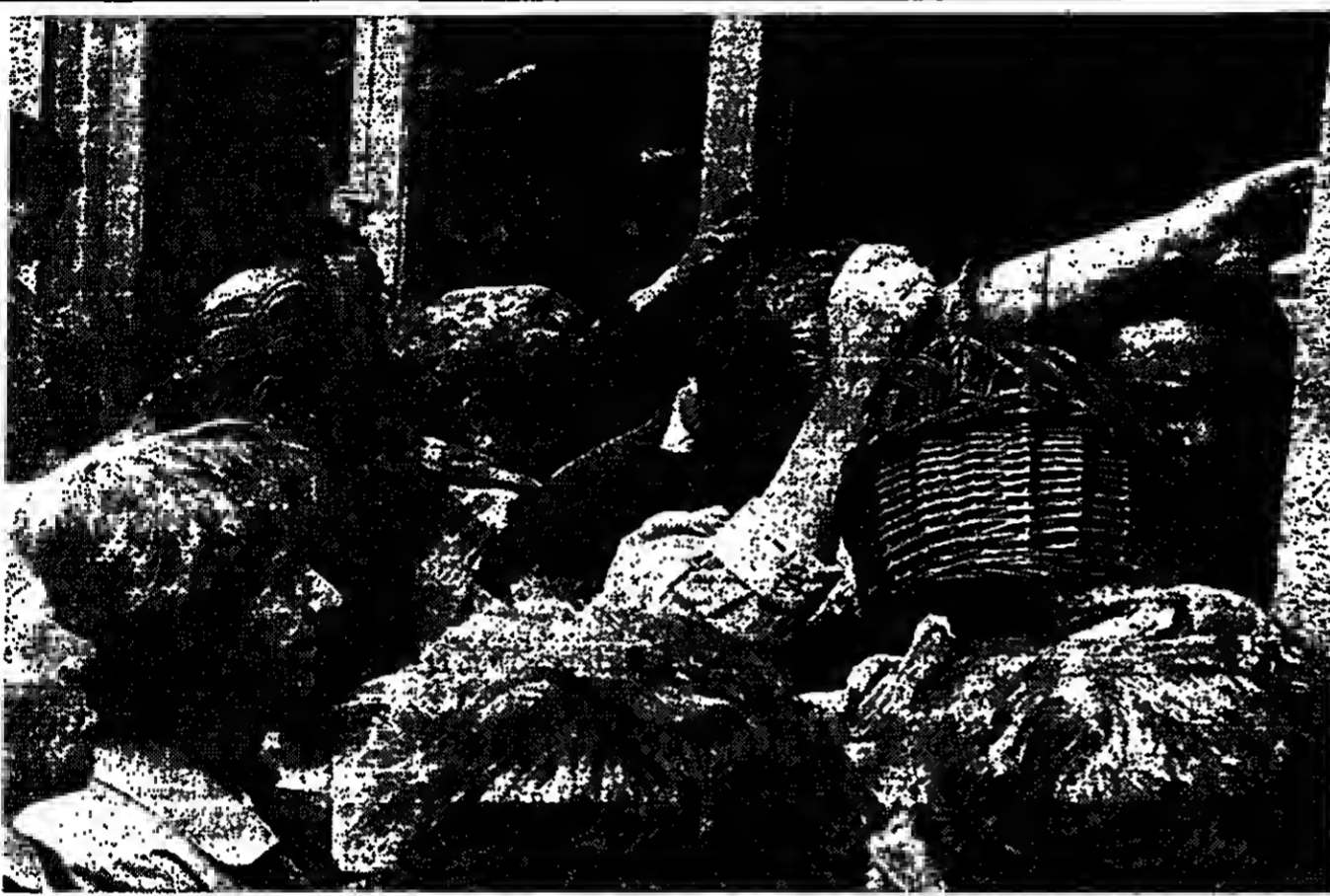
Oil and \$ buoy up Norway

By Karen Fossil in Oslo

HIGHER OIL prices, increased oil production and the strength of the dollar have combined to bring a strong improvement in Norway's external balances, confirmed by fresh data from the Central Bureau of Statistics yesterday.

Excluding shipping, the current account was NKr5.28bn in surplus for January-May against a NKr6.68bn deficit for the equivalent period last year. Norway produced 43.2m tonnes of oil equivalent (toe) in the first five months of the year, against 36.4m in the corresponding months of last year.

The average price for North Sea oil in the first six months of this year was \$14 a barrel, against a forecast in the Norwegian budget of \$14.50. The dollar exchange rate has averaged NKr6.87 versus NKr6.25 projected in the budget.



LAST-MINUTE RUSH: Crowds fight their way into a Warsaw butcher's shop yesterday in an attempt to beat big food price rises which the Government is expected to introduce today.

US film makers step up attack on EC television proposals

By William Dawkins in Brussels

THE US film industry launched a fresh attack yesterday against guidelines on local European Community content for television channels, laid down in draft EC rules for cross-frontier broadcasting.

used as a quota to limit US film producers' freedom to export to Europe and, as such, could be the latest evidence of possible EC protectionism.

He was speaking at a private meeting with Mr Jean Dondelinger, the Commissioner for audiovisual policy and Mr Frans Andriessen, the External Affairs Commissioner.

Portugal takes express ride towards modernisation

Changes on the Oporto railway reflect a new prosperity on the Iberian peninsula, writes Diana Smith

MOMENTS after the sleek new Alfa Express express glides out of Oporto's Campanha railway station, it passes a mass of half-assembled girders and concrete towering over the track.

blow in through open windows coated with dust. The Alfa aims to wean Lisbon-Oporto business travellers away from the airlines back to the railways with comfortable reclining seats, three-course meals or soft drinks and snacks.

Portugal received more than Ecu 600m (\$636m) in grants and Ecu 400m in loans last year, it shows.



Part of the EC's Ecu 700m 10-year aid programme for Portuguese farming is for replacement of expensive imported animal feed by home-grown produce, with the area around Aveiro showing first results.

Madrid, Barcelona, Paris and London. There is a whiff of professionalism in Portugal which is not confined just to business dealings in bustling Oporto, Aveiro and Braga, but in treatment that was once amiable but sometimes scabby: hotel telephones and room service have improved beyond recognition; secretaries or bosses rarely agree to appointments instead of promising to ring back in a fortnight.

Inflation erodes Yugoslavia's banknote supply

By Aleksandar Lebl in Belgrade

GALLOPING inflation - prices rose 313 per cent in the first half of the year - is leaving Yugoslavia short of banknotes.

Iron curtain starts to lift between unions East and West

By John Lloyd

TRADE UNIONS in the West are revising their 30-year-old posture of ideological hostility to their counterparts in Communist countries - though they remain cautious, more cautious in many respects than Western governments.

dominated unions will wholly lose their functions as "transmission belts" of party and government policies.

not properly represent their members. The ICFTU debated reform in the Soviet Union and Eastern Europe at its biennial executive meeting in Leningrad, the KDF has been reported in neutral terms in the official press.

benefits. The new Hungarian independent white collar union, the TISZ, has established links with the official unions and appears to wish to work with them, a move encouraged by elements of the Hungarian Communist leadership.

Palme verdict appeal

Christer Pettersson, found guilty last week of murdering Sweden's Prime Minister, Mr Olof Palme, yesterday appealed against his conviction and life sentence. Reuter reports from Stockholm. Pettersson was sentenced by the Stockholm district court last Thursday, on a split verdict.

Community prices index rises 3% in first half

By Tim Dickinson in Brussels

CONSUMER PRICES in the European Community rose by an average 3 per cent during the first six months compared with an increase of 2.9 per cent in the US and 2.3 per cent in Japan over the same period.

Price increases were most marked in June in Greece (8.6 per cent), Portugal (6.7 per cent), Spain (6.5 per cent) and Italy (6.5 per cent). They were more moderate in the UK (6.3 per cent), Luxembourg (6.3 per cent), Belgium (6.3 per cent) and France (6.1 per cent), while the prices in Denmark (minus 0.3 per cent) and the Netherlands (minus 0.1 per cent) actually fell.

In spite of the moderate increases in May and June, inflation rates throughout the EC are higher in the first half of this year than in 1988 for all countries except Denmark, Greece and the Netherlands.

Bonn plays down army cuts call

By David Goodhart

THE West German Government yesterday described as "unhelpful" the suggestion from Admiral Einar Schmutz, the head of the Bundeswehr staff college, that the Bundeswehr could be reduced from the official current figure of 495,000 to 200,000 over the next 10 years.

Mr Stoltenberg also told a newspaper that progress had been made in negotiations to reduce low flying over West Germany and to stop all manoeuvres involving more than 40,000 troops.

Hungarian changes

The Hungarian Communist Party could become the first such ruling party without a politburo and central committee if a proposal, made at last Friday's central committee session, is adopted at a party congress in October, AP reports.

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AMERICAN NEWS

Former minister held as Cuban shake-up continues

By Tim Coone in Managua

THE shake-up in the Cuban political and military hierarchy following the trial of several leading figures on drug trafficking charges has claimed another top name.

General José Abrantes Fernández was forced to resign as Interior Minister on June 29 and according to Radio Havana, has now been detained along with three other senior Interior Ministry (Minint) officials "on evidence of transgressions and violations of the law" which have come to light in the wake of the scandal for which four senior officers from the army and ministry were executed last month.

The other arrested officers are Gen Roberto González, the former head of immigration; Oscar Tajóni, the former head of customs; and Lt Col Rolando Castañeda, whose post was not specified.

Another man who was arrested, Mr Oscar Parvenir, headed an organisation "very closely linked to the Interior Ministry", which was authorised to deal in foreign exchange. The Cuban Central Bank is normally the only organisation allowed to handle foreign exchange in Cuba, apart from Cubanacan, the body charged with developing Cuba's tourist potential.

In addition five other generals from the ministry have been demoted to colonel and forcibly retired.

As a result of the purge over the past month the Interior Ministry has lost almost all its senior officers and officials, raising speculation that there is more than just the drug scandal behind the shake-up.

During the summing-up of evidence in the court martial of Gen Arnaldo Ochoa and the three other officers who were

executed, President Fidel Castro noted that the ministry had made arms purchases. This had to stop, he said, "because one of the serious problems which was taking place in the Interior Ministry was the attempt to put it on a par with the armed forces; but it has other tasks, other missions and other functions."

President Castro said the executed Minint officials and Gen Ochoa "were creating a system of relations, of friendships; they were corrupting and, in my opinion, neutralising" people with presents ranging from colour TVs to yachts.

In effect, the purge and restructuring of the ministry will mean that its police and state security apparatus will now pass to the armed forces, which are under the control of General Raúl Castro, President Castro's brother and hand-picked successor.

Heavy Chilean vote for reform

By Barbara Durr in Santiago

CHILEAN voters have overwhelmingly approved 54 reforms to the country's 1980 constitution. With nearly 98 per cent of the votes counted from a national plebiscite on Sunday, 85.7 per cent voted in favour, and only 8.2 per cent against.

The reforms were widely expected to be adopted. They had been agreed by the military regime, the 17-party opposition coalition and the most important right-wing party. Only the Communist Party, a small faction of socialists and a minor regional party had urged rejection of the reforms.

The changes in the constitution include increasing the number of directly elected members of the Senate, thus making it a more genuinely democratic body; curbing the powers of the National Security Council; abolishing Article 8, which outlawed all Marxist



General Pinochet votes in the plebiscite

groups; shortening the next presidential period to four years from eight; and easing the process for future amendments of the charter.

The last item was considered by opposition leaders the most important, given that the current slate of amendments fell short of what they had wanted.

Mr Patricio Aylwin, the opposition's presidential candidate, called the plebiscite "an important step forward" for the return to full democracy in Chile. The country's military leader, Gen Augusto Pinochet, in a brief televised address on Sunday night, said the plebiscite results ratified once again

the constitution designed by the military in 1980.

Gen Pinochet, who reluctantly agreed to the reforms, believes the 1980 charter is his regime's greatest legacy. It was only under the combined pressure from soft-liners within his government, the key right-wing party National Renovación and the opposition coalition that the general finally acceded to reform.

With the three main political forces - the military, the right and the opposition - in accord on at least part of its constitutional basis, the incoming democratic government is expected to enjoy greater stability.

Argentina taking soft line on rebels

By Gary Mead in Buenos Aires

ARGENTINE army rebels who carried out three armed insurrections against the civilian government of President Raúl Alfonsín will no longer face dismissal from the army, according to Mr Italo Luder, the Defence Minister.

Mr Luder said yesterday that "in a few days" President Carlos Menem (as commander in chief of the armed forces) would "cancel" all outstanding cases referring to the rebellions, now before military tribunals. The threat of expulsion from the army has thus been lifted from 432 rebels, ranging from the rank of colonel down.

Mr Luder explained that following the presidential ruling, army chief of staff General Isidro Caceres would be responsible for disciplinary action against the rebels, "without that meaning that those officers who participated [in the rebellions] having to lose their careers."

He said Gen Caceres would consider "case by case" what disciplinary action would be

taken. Mr Luder said there might be some "retirements" from the army but those would be at the request of officers themselves.

Contingents of Argentine commandos, with support from other units, have staged three rebellions since Easter 1987. They barricaded themselves inside regimental headquarters in protest against trials conducted by the Alfonsín government against officers accused of human rights abuses during the so-called "dirty war" of the 1970s, when more than 9,000 civilians disappeared.

Some 25 senior military officers, including former junta-appointed president Gen Jorge Videla (serving life imprisonment on human rights charges), are either imprisoned or awaiting trial for their part in the dirty war.

They are likely to benefit from a separate presidential amnesty which it is widely expected that President Menem is preparing to announce this month.

US drug use falls - except cocaine

OVERALL use of illicit drugs has dropped significantly in the US since 1985, but the number of heavy cocaine users has risen sharply, AP reports from Washington.

The 1988 National Household Survey on Drug Abuse found a decrease of 37 per cent in the number of people who said they had used illicit drugs in the previous month.

However, the survey found a 33 per cent increase in the number of people using

cocaine once a week or more, and a 19 per cent increase in the number of people using the drug daily or almost daily.

"Most use of most drugs by most Americans - overall drug use - is off sharply. But cocaine addiction has dramatically intensified," said Mr William J Bennett, director of federal drug control policy.

"Drug crime is up, drug trafficking is up, drug deaths are up, drug emergencies in our hospitals are up - all since

1985. And much of this can be explained in one word: crack." Crack is a potent, smokable form of cocaine.

According to the survey, the number of people who used marijuana, cocaine or any other illicit drug within the month before being surveyed dropped from 23m in 1985 to 14.5m in 1988.

Those who used an illicit drug within the previous year fell from 37m to 26m - a decline of almost 25 per cent.

Bush calls governors to education summit

By Peter Riddell, US Editor, in Washington

PRESIDENT George Bush yesterday invited the 50 state governors of the US to an education summit, only the third such meeting ever held, to discuss ways of improving America's schools.

His invitation was issued at the National Governors' conference in Chicago. This was intended to be the start of a two-day trip which he cut short immediately after his speech to return to Washington following reports of the execution of Lt Col William Higgins in Lebanon.

Mr Bush said the governors' summit on education - called for an unspecified place on September 27 and 28 - was intended "to find ways to strengthen our schools, to enlarge opportunities and to improve our nation's educational performance".

Mr Bush's initiative is intended to fulfil the pledge he

Greenspan still hoping for 'soft landing'

By Anthony Harris in Washington

THE FEDERAL Reserve chairman, Mr Alan Greenspan, told a meeting of state governors on Sunday that he still expects a soft landing - a period of slow growth - rather than a recession in the US economy.

There are growing reports of tension between the Fed and the administration over the slow pace of monetary easing at present.

Mr Greenspan's remarks concentrated on real rather than monetary factors in the outlook. He said flat retail sales were due to higher personal saving, along with slow growth of real incomes; this could lead to a recession rather than a slowdown if businesses misjudged their prospects and found themselves with excessive inventories or over-ambitious investment plans.

Menem move to attract foreign currency

By Gary Mead

ARGENTINES will be able from today to open accounts in US currency in local banks. Both Argentine and locally-based branches of foreign institutions will be allowed to operate in the new market.

The government is also promising to introduce a law preventing future administrations from nationalising or freezing foreign currency accounts held in Argentina, a move seen as a necessary guarantee if people are to feel sufficiently confident to use the new accounts.

The new regulations are part of a drive by President Carlos Menem's government to attract foreign currency into the country, suffering from serious industrial recession and negative growth rates.

An estimated \$40bn is held by Argentines in overseas bank accounts and investments, capital which has flown from the country during its lengthy post-1984 instability. A further \$5bn is believed to be

in circulation in Argentina, neither earning interest nor invested in production, but used by Argentines as an easily convertible insurance against hard times and inflation now running at 200 per cent a month.

The account offers an attractive interest rate, set in relation to the London Interbank Offered Rate. This is likely to tempt depositors away from the only other foreign-currency interest-bearing deposits with easy access to Buenos Aires, in Montevideo in neighbouring Uruguay, where interest rates are just below 10 per cent. The minimum amount fixed for the new Argentine accounts - which are also open to foreign depositors - is \$1,000.

Mr Javier Gonzalez Fraga, president of the central bank, said yesterday a new bill would soon be presented to Congress, protecting foreign currency depositors from any move by the state to use the funds placed in the new accounts.

PRD in Michoacan poll protest

By Richard Johns in Mexico City

MEXICO'S Party of the Democratic Revolution (PRD) is to boycott the meeting of Michoacan's electoral commission scheduled for August 15, in protest at the controversial official outcome of the poll for the state legislature held on July 2.

The session will be held to decide the distribution of six of the parliament's 24 seats to be decided by proportional representation. At a big rally in the state capital of Morelia, Mr Cuauhtémoc Cárdenas, PRD

leader, said that to participate in the proceedings "would mean legitimising fraud and admitting the only way forward for the opposition is complicity" in it.

The PRD claims it won 14 of the 18 seats in the direct vote but according to official results announced by the electoral commission, which is dominated by the ruling Institutional Revolutionary Party (PRI), it was only awarded six.

Mr Cárdenas described the issue as "a decisive struggle"

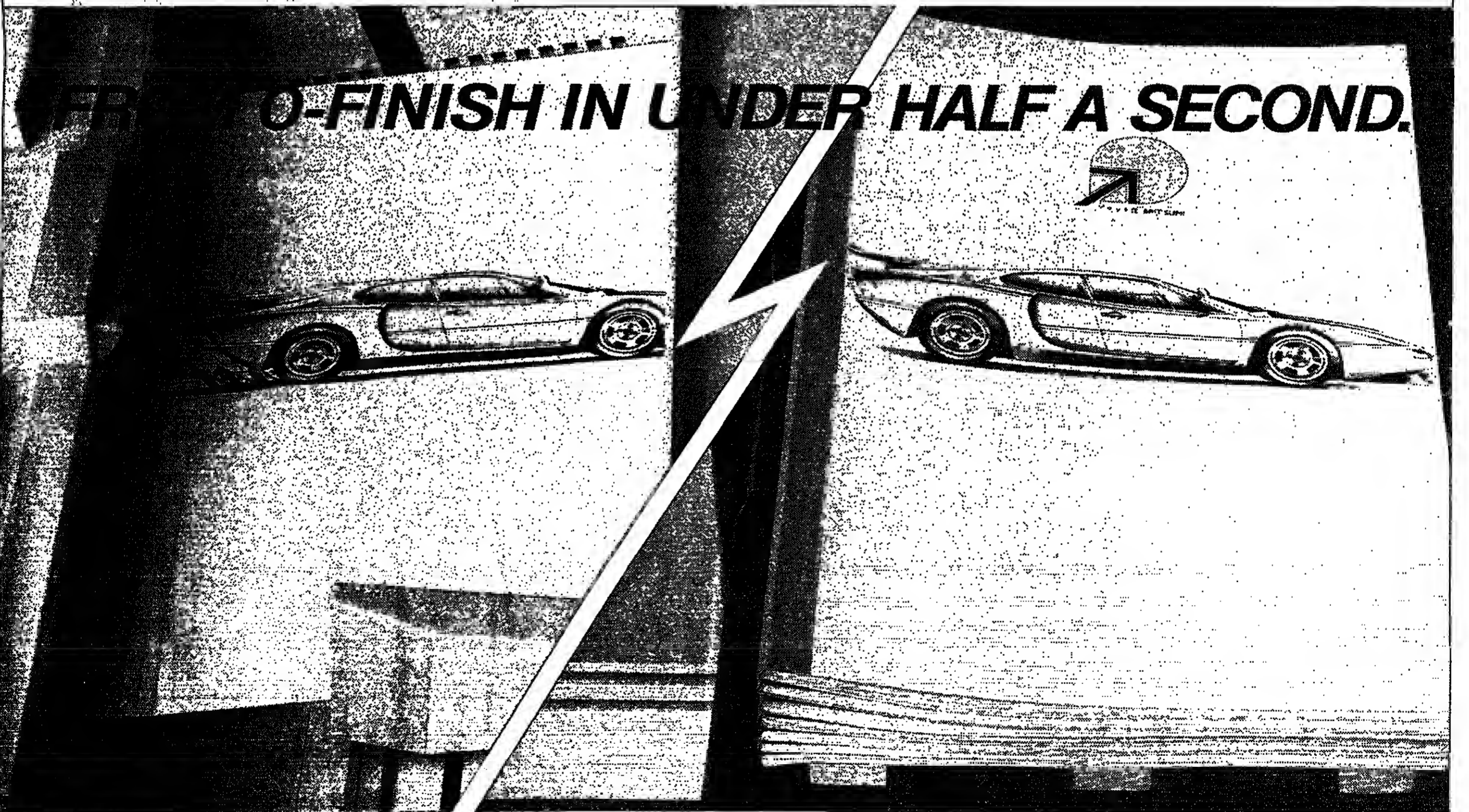
in deciding that recognition of voting at the polling booths should bring about an end to an anti-democratic system.

In a clear breach of the price freeze embraced by Mexico's Pact for Economic Stability and Growth (PECE), producers of tortillas, the most basic staple food of the country, raised prices at the weekend from 275 pesos (7p) to 400 pesos a kilo.

They claim they face bankruptcy because of the higher cost of maize dough.

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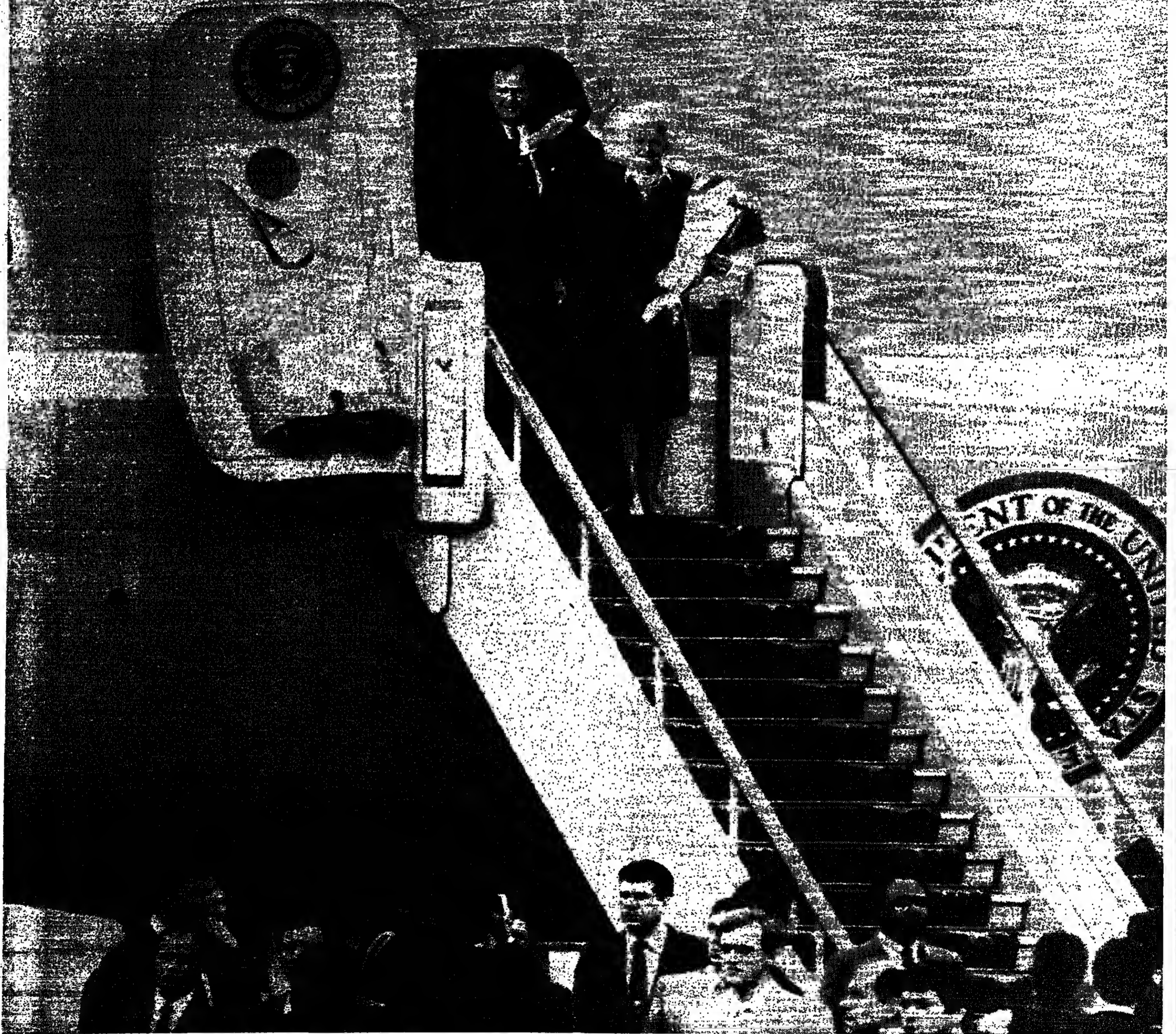
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Ports strike flags as 1,000 dockers go back to work

Flying pickets fail to stop return to docks

By Charles Leadbeater, Labour Editor

MOST of Britain's dockers are back at work after the return of about 1,000 dockers at eight ports yesterday.

The National Association of Port Employers (Nape) said the returns, the largest in a single day since the strike began, meant 3,684 dockers were working normally, with 2,725 on strike.

About 9,220 dockers registered under the abolished National Dock Labour Scheme - which regulated employment and conditions at most British ports - began the strike on July 28. Some 2,812 of them have been made redundant or left the industry voluntarily.

The returns at the ports of Hull, Southampton, Fleetwood, Whitehaven, Leith, Greenock and two wharves on the Thames estuary, came as the Transport and General Workers' Union's campaign to revive the flagging strike claimed its first success.

About 60 dockers at Tilbury near London rejoined the strike, having returned to work last week with 490 colleagues. Their move follows the TGWU leadership's decision to focus the strike on the reinstatement of 16 union officials at Tilbury made redundant last week. The strike was called to win a

London Underground railway and the unions are to meet this morning in a fresh attempt to resolve the long-running dispute on the eve of the 14th 24-hour strike since April, writes Fiona Thompson.

The talks are expected to make some progress, but it is thought unlikely that enough headway will be made to prompt a cancellation of Wednesday's stoppage called by the National Union of Railwaymen and Asist, the train drivers' union.

Meanwhile, British Rail and the rail unions are to resume their talks on bargaining machinery at the conciliation service, Acas, this morning. The move follows last Thursday's decision by the NUR to accept BR's 2.8 per cent pay offer and suspend its series of 24-hour strikes.

A national agreement to replace the abolished scheme.

The TGWU said the men's decision was a reflection on the terms and conditions under which dockers are being asked to work, at Tilbury these have included the withdrawal of union recognition for collective bargaining.

The union's ruling general

executive council, its national docks committee and senior officials are today expected to draw up a programme of mass meetings at working ports, in an attempt to rally support for the strike. The TGWU leadership will resist calls for the strike to be called off to allow an orderly return to work.

However, about 90 dockers at Ipswich, in East Anglia, are to meet today to consider returning to work. They have remained on strike while details of a local agreement for the port have been drawn up.

The deal will remove demarcation lines between dockers and cargo handlers and various grades of drivers. Pay grades will be based on the acquisition of skills.

A similar deal was yesterday under discussion at the southern port of Southampton after the return of 450 dockers. Associated British Ports, one of the biggest port employers, is taking legal advice over largely ineffectual picketing by Liverpool dockers. But it said it would only consider legal action if the picketing seriously affected its business.

Forty-one of the 61 main ports originally covered by the abolished scheme, were back at work, including all 19 ABP ports.

THE MAN on the motor bike was beginning to waver. The Southampton dockers said he had never been so torn in his life as he wrestled with himself about whether to cross a picket line and abandon the national dock strike.

His audience were a section of the 60 or so dockers from the northern city of Liverpool who had gathered outside Southampton's port gates at 5am to try to persuade the city's port workers that the aims of the strike were still achievable.

The motorbike man dallied for about 10 minutes before reaching his decision. "If I do not go back in I would be the only bastard in Southampton to stay out," he said. "I am sorry, I have to go in."

It was one of the few times that the Liverpool dockers came close to success. Most of their Southampton colleagues - including union officials - drove through the picket lines without stopping. According to the Southampton port employers all of the city's 440 former registered dockers who have not applied for redundancy were back at work yesterday after their weekend vote to end the two-week strike.

The return to work yesterday in Southampton, Hull and several smaller ports will provide officials of the TGWU general workers' union with food

for thought as they meet today to consider how to intensify the strike. It did not, however, appear to dent the confidence or enthusiasm for the strike of the Liverpool pickets in Southampton.

During the TGWU's four-month campaign to negotiate a replacement for the National Dock Labour Scheme, which regulated employment and conditions in most of Britain's ports, the 1,000 or so former registered dockers in Liverpool have been among the most vociferous supporters of the stoppage.

Although dockers in other large ports like Bristol in the west and Teesside in the north-east remain on strike, they have not travelled the country to rally support with the vigour of their counterparts in Liverpool.

At last Friday's meeting of the TGWU's national dock delegate committee, about 300 men lobbied outside for the strike to continue and the vast majority were from Liverpool. It was the same story at the Southampton port gates yesterday.

For many, it was the second trip to the south coast port within a week. They had been down to the city the previous Monday to lobby a meeting called to consider a return to work. Yesterday's mission was

potentially a more dangerous one, because of the legal implications of their action. According to the port employers, the Liverpool dockers were guilty of illegal secondary picketing, because they were not lobbying their immediate place of work.

Not so, said the dockers. "There is no way this is secondary picketing," said Mr Kevin Robinson, a dockers' spokesman who yesterday co-ordinated the picketing and liaised with police. "We are involved because this port will be handling cargoes diverted from Liverpool." His view was not put to the test, probably because the employers did not feel the need to challenge it.

They were justifiably confident of a return to work and there was nothing to suggest Southampton dockers were being intimidated.

There were occasional taunts. "We are better footballers and better bloody men," shouted one Liverpool man, frustrated after seeing hundreds of dockers cross the picket line.

Generally, however, the mood was calm, with the Liverpool dockers chatting amiably with the police and the Southampton port workers. When the atmosphere became tense, Mr Robinson would step in with a megaphone to tell his men to "keep it simple" and

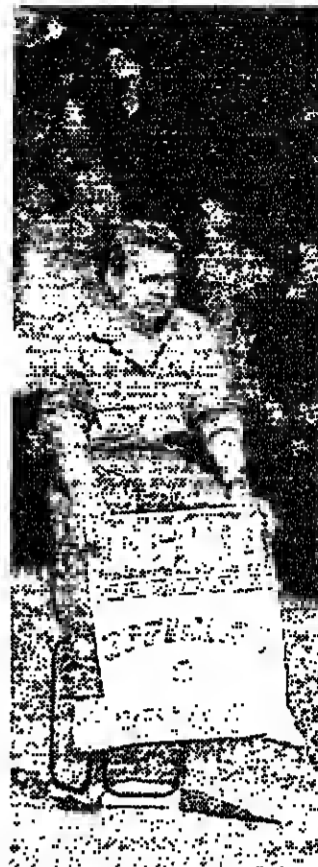
refrain from arguing.

Try as they might, however, the Liverpoolians could not hide their frustration and resentment towards the Southampton men. "I feel ashamed and disgusted that they have gone in," said one Merseyside dockers' spokesman. "They are not only failing themselves, they are letting down people who have been sacked in Tilbury (east of London). In fact they are letting down every other trade unionist in Britain."

Undoubtedly the main reason for the return to work was a threat by Southampton employers to sack former registered dockers who did not end the strike by 8am yesterday morning. If that had been carried out, the dockers would have lost their entitlement to redundancy payments of up to £25,000.

Liverpool dockers expect similar threats from their employers this week but, on the picket line yesterday, the pickets who travelled to Southampton said it would not change their attitude.

"If you go back to work under threat, you do not have to be a clever fellow to realise that you will be under threat for the rest of your working life," said Mr Larry Dowling, a Merseyside dockers' spokesman and a shop steward. "Within the next few weeks the employers will be sacking dockers."



Picture: Tony Andrews
Striking a blow: A dock worker from Liverpool takes a break from a day on the picket line in Southampton.

Digit crisis prompts call for longer telephone numbers

By Hugo Dixon

AN EXTRA digit should be added to all Britain's phone numbers in the early 1990s to overcome an acute shortage of numbers, according to a consultative document published yesterday by the Office of Telecommunications (OfTel), the industry watchdog.

The change would mean that people would have to dial "0" followed by 10 digits for calls outside their local area.

This compares with the current system, under which people must dial "0" followed by nine digits for most calls.

OfTel made clear that the precise solution to the numbers shortage proposed by Ovum, its consultant, was open to modification through consultation.

However, it is generally accepted that some change to the system will be needed because of the rapid growth in telecommunications services, unleashed by the Government's policy of liberalising the sector.

New services such as mobile communications and information services have already used up most of Britain's spare capacity of numbers.

There are fears that, unless something is done, further expansion will be stunted. There is also concern that the present system stifles competition to British Telecom from rivals such as Mercury Communications.

Ovum has recommended that a new digit should be

inserted immediately after the initial "0".

This digit would be in addition to the extra digit being added to London's phone numbers next year - the capital is facing an even more serious shortage than the rest of the country and so a temporary solution is being adopted for its problems.

Under Ovum's plan, the extra digit would be used to distinguish between different categories of service.

Normal phone numbers would have a "1" put after the "0".

This would mean the code for Birmingham would change from 021 to 0121.

Mobile phone numbers would have an "8" added to them, while "6" would be added for information services such as the freephone service.

The digit "5" would be used for a new set of numbers called personal numbers.

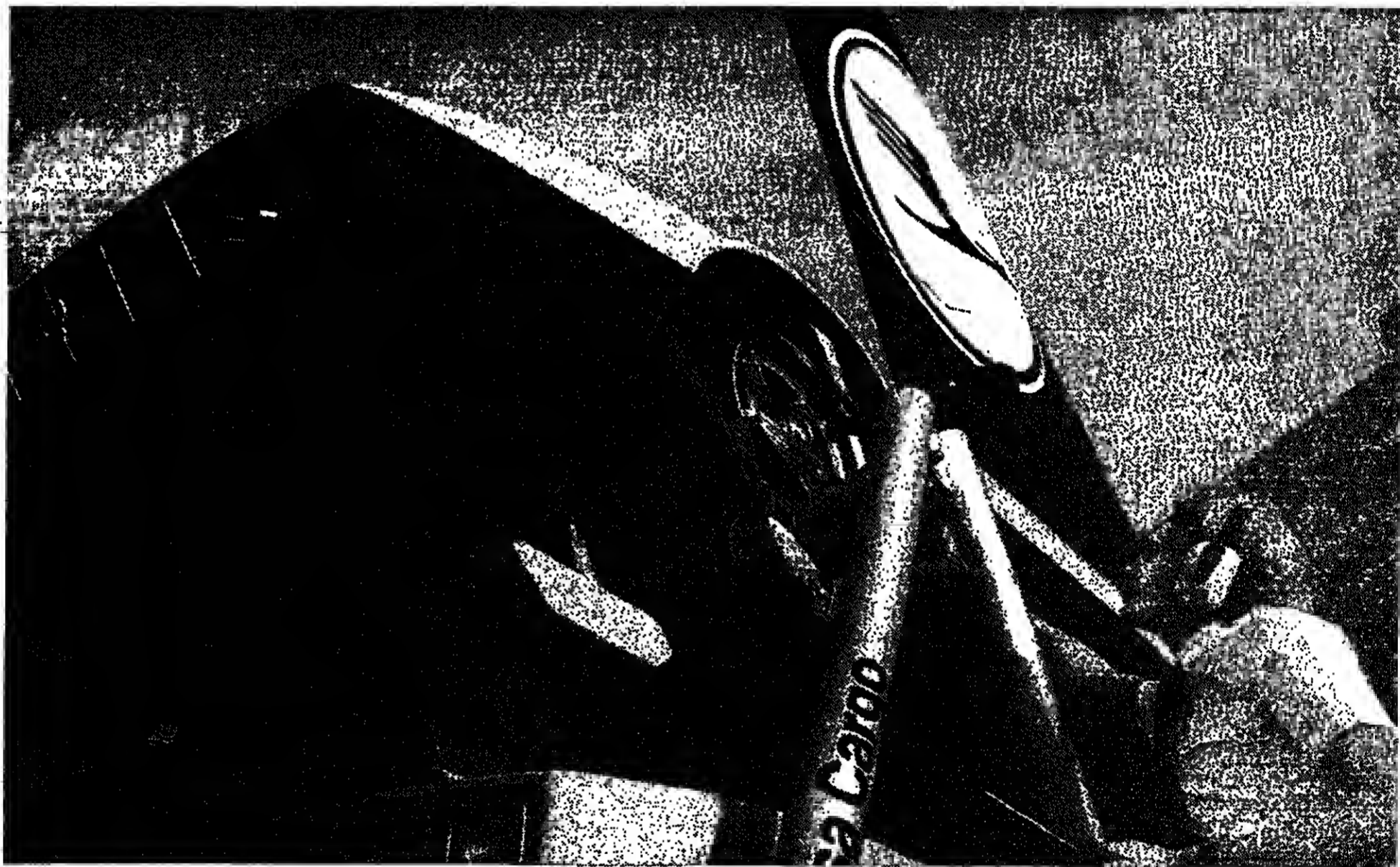
The idea is that people would be given personal numbers and would then instruct the phone system to send their phone calls to them wherever they were in the country.

The digit "3" would be used for private phone networks.

These are expected to proliferate following the liberalisation in private networks announced last month by the Government.

The remaining digits - 2, 4, 7 and 9 - would not be allocated initially, but reserved for future expansion.

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Gatwick officials vote to step up industrial action

By Fiona Thompson, Labour Staff

IMMIGRATION officers at Gatwick Airport, 30 miles south of London, are to step up their industrial action over pay today by imposing a daily work-to-rule. The officers have been taking action since mid-June, but so far only at the weekends.

The officers' action was prompted by a new pay system imposed by the Treasury in May, which imposed a differential of £1,400 between immigration officers at Heathrow airport, west London, and Gatwick. The new system was set up to pay extra money for staff in London. Under the

Treasury breakdown, Heathrow, but not Gatwick, falls within London.

The officers are members of the Immigration Services Union. The ISU on Friday announced that it had balloted all its 1,500 members at airports and ports throughout the country on taking action over pay differentials for staff outside London. In a 60 per cent turnout, the ISU voted by a two-thirds majority to operate a work-to-rule.

The action will affect all ports and airports from Friday if there is no progress on pay talks by then.

Notice of Prepayment
EUROFIMA
ECU 50,000,000 9% Bonds due 1993

Pursuant to paragraph "Purchase and Redemption" of the Terms and Conditions of the Bonds, notice is hereby given that Eurofima will prepay, on September 7, 1989, the total amount outstanding of the above-mentioned Bonds at 101% of their principal amount, together with accrued interest (i.e. ECU 29.17 per denomination of ECU 1,000) from May 15, 1989 to the date of Redemption.

Payment of principal, premium and interest will be made in accordance with the Terms and Conditions of the Bonds. Bonds must have coupon due on May 15, 1990 and following attached.

Interest will cease to accrue on Bonds as from September 7, 1989.

Luxembourg, August 1, 1989

THE PRINCIPAL PAYING AGENT
KREDIETBANK
S.A. LUXEMBOURGEOISE



UK NEWS

Jobless figures forecast to rise above 2m again

By Ralph Atkins, Economics Staff

A SHARP slowdown in British economic growth and a rise in unemployment back above 2m are predicted by two leading forecasting organisations in reports published today.

inflation will fall to a little below 7 per cent in the last three months of this year. By the end of 1990 inflation is expected to have dropped just below 5 per cent.

Ministers press water chiefs on charge rates

By Richard Evans

THE GOVERNMENT was seeking to force an agreement with water industry leaders last night on the scale of charges to be imposed after privatisation, but the industry remains unhappy with details of the formulae that are expected to be announced tomorrow.

An extra digit to ring the changes

Hugo Dixon on possible remedies for a telephone number shortage

A DESIRE to enable the UK telecommunications industry to keep on generating new ideas is the driving force behind the recommendation made yesterday that the country should add an extra digit to its phone numbers in the early 1990s.

OPTIONS FOR REFORMING UK PHONE NUMBERING SYSTEM

- 1. Will there be extra digit? 2. Will people be able to keep phone numbers if they move? Only within local exchange. Yes, anywhere within the main public network.

has the effect of increasing the supply of numbers tenfold. The second solution is to get rid of the wastage in the current system. Most of today's numbers consist of an '0' followed by nine digits.

This would solve the shortage problem and allow competition to emerge. It would also have the advantage that nobody would have to change number.

this has the problem that people would have to change their numbers if they moved. Adding the digit before the code but allowing people to keep the same number if they move to another part of the country - option 'B'.

GROWTH OF UK PHONE MARKET. ACTUAL 1988 1990-2000 GROWTH RATE (annual) 2001

Minister attacks EC gas ruling

By John Hunt, Environment Correspondent

BRITAIN IS mounting a campaign for the repeal of a European Community directive which restricts the use of natural gas as a competitor to coal.

SE takes discipline action against firm

By Richard Waters

SMITH New Court, the securities firm, has been charged with failing to comply with good Stock Exchange practice over its handling of a programme trade last December.

down a specific time limit. It is thought that Smith's alleged delay was a matter of minutes, but the firm would not comment yesterday for fear of prejudicing its case.

Salmonella attack traced to cold meats

By Lisa Wood

GOLD COOKED meats are suspected of causing the outbreaks of salmonella food poisoning which have affected nearly 400 people in north-east England, Cheshire and north Wales.

IRA bomb wrecks court

By our Belfast Correspondent

A LARGE IRA van bomb exploded outside Belfast High Court yesterday as security forces prepared for an upsurge in terrorist activity to mark the 20th anniversary of the arrival of British troops in the province.

Harland employees accept post-privatisation terms

By our Belfast Correspondent

ALMOST ALL the employees offered jobs after privatisation at Harland and Wolff, the Belfast shipbuilder, have accepted the new terms and conditions of the company.

Bristol outlines £1bn redevelopment

By Hazel Duffy

BRISTOL Development Corporation yesterday launched outline plans for the £1bn redevelopment of part of the inner city.

Mortgage body established

By David Barchard

A REPRESENTATIVE body for companies operating throughout the UK mortgage industry is established today, assuming much of the role previously performed by the Building Societies Association.

Obituary: John Lister: Shipbuilders' chairman

MR JOHN LISTER, chairman of British Shipbuilders since May 1987, died yesterday aged 58.

Notice: CITINVEST PROFIT SHARING

To the unitholders of CITINVEST PROFIT SHARING Mutual Investment Fund

Due to massive redemption requests it has been decided by mutual agreement between the Management Company CITINVEST PROFIT SHARING S.A., having its registered office at 49 boulevard Prince Henri, Luxembourg, and CITICORP INVESTMENT BANK (Luxembourg) S.A., having its registered office at 18 Avenue Maria-Theresa, Luxembourg.

JAGUAR SPOT FOLLETT JAGUAR SOUTH KENSINGTON. 01-589 4589

Insurers, the Association of Mortgage Lenders, and the Finance Houses Association - have combined to set up the CML.

IRA bomb wrecks court

By our Belfast Correspondent

A LARGE IRA van bomb exploded outside Belfast High Court yesterday as security forces prepared for an upsurge in terrorist activity to mark the 20th anniversary of the arrival of British troops in the province.

OBITUARY John Lister: Shipbuilders' chairman

OFFSHORE OIL INDUSTRY The Financial Times proposes to publish this survey on: 5th September 1989

THE TIME BOMB Time bombs use the computer clock to activate an illicit program. One of the most famous was the 'PLO virus', set to go off on the 40th anniversary of the dissolution of Palestine, destroying files on computers connected to the Hebrew University's mainframe.

cricketcall Live International England v. Australia 0898 121 134 Live ball-by-ball commentary

OFFSHORE OIL INDUSTRY The Financial Times proposes to publish this survey on: 5th September 1989

FINANCIAL TIMES LONDON'S BUSINESS NEWSPAPER



LEADING MEANS CONVINCING.

The world's most successful luxury sedan, the BMW 750i/L, is one of the most cogent examples of this. This car embodies the latest state of the art in engineering. Engineering with only one aim: making the passion for driving more cultivated than ever.

The twelve-cylinder engine of the BMW 750i/L is considered the crown of engine design. It unites the following apparently antagonistic features:

Enormous power reserves and a very reasonable fuel consumption. Highly sophisticated engineering which is virtually maintenance-free. Superb smoothness of running and breathtaking driving performance. The immense safety potential of the BMW 750i/L is another perfectly convincing argument.

It was achieved by using the most advanced engineering methods to

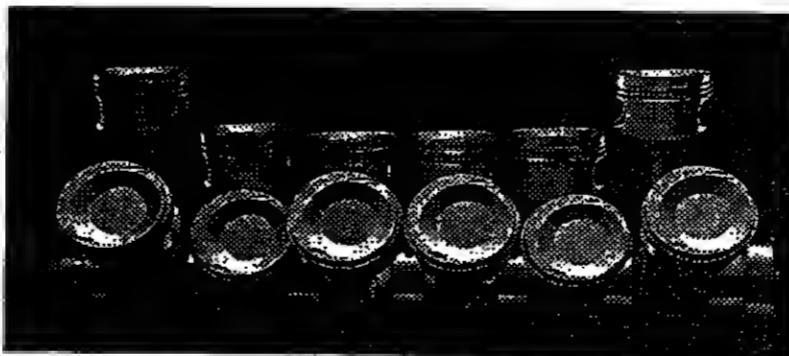
develop a body structure which, in the event of a collision, absorbs impact energies at all safety-relevant points. Ample deformation zones at the

front end and an extremely rigid passenger compartment provide highly efficient protection in a crash.

Environmental protection is just another field where the BMW 750i/L proves its exemplary role. Its lambda-controlled three-way catalytic converter easily meets any emission

limit worldwide. And it is almost noiseless in all speed ranges – another contribution to environmental preservation. It is, in fact, one of the most silent automobiles in the world.

Conclusion: The BMW 750i/L has everything needed for automobile leadership. Persuasive power in every engineering aspect.



■ BMW 12-cylinder engine: 4988 cc, 220 kW/300 bhp, Digital Electronic Engine-Management, lambda-controlled three-way catalytic converter.



The ultimate driving machine

MANAGEMENT: The Growing Business

The nuances that can trap the unwary

Charles Batchelor concludes his series by underlining the importance of adequate preparation

British company which made hair dryers was just about to ship a container-load to the US when the managing director decided to check with his local chamber of commerce that there would be no difficulties.

Top of the list of enquiries which come into the US Embassy in London concern the type of visa which is required for doing business in the US.



Nicolous Fjendelsen realised the advisability of having product liability insurance in the US for his miniature crowns

wait until you are in it." Crowns & Regalia, a London-based company which makes miniature replicas of the crown jewels, has begun putting a disclaimer with the products which it ships to the US.

American lawyers are also likely to clock up more hours researching legal precedent than any other American suppliers are also unlikely to understand the impact of foreign exchange movements on the prices they are quoted.

Confidence boosting exercise

Charles Batchelor reports on an exchange of big/small company expertise in the Antwerp region of Belgium

One hundred small firms and executives from eight large companies in the Antwerp region of Belgium are taking part in a pilot project aimed at transferring personal skills to the smaller businesses and boosting the local economy.

In brief...

Profit In Store, an exhibition which acts as an export showcase for small businesses producing consumer goods, (this page December 19 1988) will be held on November 7 at The Art Gallery, The Commonwealth Institute, Kensington High Street, London.



Breaking into the US

European companies in Philadelphia. "The French know the US is a foreign country. The British sometimes forget."

BUSINESS OPPORTUNITIES

Computer Operations Business Opportunity. U.S.-based computer processing services firm is actively seeking to establish operations in the U.K. through creative acquisitions or business partnerships.

HARD TO BORROW? No Credit Check. Guaranteed. We do not make loans Minimum \$100,000 5-20 years.

MORTGAGES On Commercial & Industrial Properties at prime rates 5/10 years. Interest only. Minimum loan £250,000.

20,000 sq. ft. available North West area, easy access to motorways, fully equipped with pneumatic lines and spray finishing.

BUSINESS SERVICES LAUNCH YOUR NEW PRODUCT IN UNIQUE STYLE! REWARD YOUR DIRECTORS AND STAFF! TREAT YOUR CLIENTS!

FOR SALE OR INVESTMENT Small established Engineering business with turnover around £300,000 per annum specialising in the application of sprayed coatings of metals.

FLORIDA GOLF COURSE Interesting land investment opportunity available in the famous PGA Sheraton Resort at West Palm Beach.

COMPUTER SOFTWARE A team of highly qualified software specialists willing to take up sub-contract jobs in application software at attractive costs.

Buying or selling a business? We'll cover your risk. Warrantly & Indemnity Insurance.

Personal Care Market Small business being strangled by lack of working capital. Excellent opportunity for Equity Partner.

Cellular '7' The portable phone specialist bring you Motorola '9800' from THE WORLD'S LARGEST CELLPHONE SELECTION.

COMPANIES UK & Worldwide. Office Company Formation and Administration - Also Licences, Patents and R.V.I. etc.

BUSINESS PARTNER WANTED £3.5m Turnover Business with sales concentrated September - November seeks a partner with reverse seasonal trading cycle.

HIGH TECHNOLOGY COMPANY Based in North of England has class 100 + class 1000 clean room facilities available for assembly work.

Short term finance for long term growth. Working capital finance for stock and work in progress.

EXPANDING YOUR BUSINESS? We will construct your own purpose-built commercial premises - freehold!

Personal Care Market. Write Box F9251, Financial Times, One Southwark Bridge, London SE1 9HL.

The Regus Centre London. Executive Offices, Conferences, Business Bureau, Club Restaurant.

AVIATION BUSINESS CONSULTANTS Airport, Airline and Aircraft - Feasibility studies, acquisitions, disposal, management, development, catering and hotels, personnel and marketing.

DRUGSTORE PRODUCTS WANTED FOR EXPORT From manufacturers and wholesalers for Drugstore chain in West Germany. Buyer will be in London during September.

SWISS HOLDING COMPANY Interested in joint-venture, investment, participation, in medical supply, pharmaceutical, electronic, computer development.

FLANNING REC OF WATER FILTERS N.Y.-London based marketing company invites enquiries from sales, marketing and manufacturing interests.

YOUR OFFICE IN LONDON BUT NO CAPITAL COSTS! Luxury Furnished Offices, Short or Long Term, Multinational staff.

SETTING UP AN OFFICE IN MADRID OR BARCELONA? Fully furnished executive offices, Multinational staff.

AMERICAN BANK MOVES H.Q. OVER 500 Desks, Chairs, Filing cabinets, Tables etc. etc. must be sold.

AIRCRAFT FOR SALE BUSINESS AIRCRAFT Sales • Operating Leases Insurance • Support Package Management & Crewing EXECUTIVE JET CENTRE-HEATHROW

HUNTINGDON ASSOCIATES Huntingdon House, Huntingdon Street, Nottingham NG1 3LY. If you require Venture Capital or Project Funding contact our comprehensive information service.

R.E.S. FUNDS SOUGHT For a revolutionary new marine product with world patent rights. Registration completed and some funds already in place.

PLANNING REC OF WATER FILTERS N.Y.-London based marketing company invites enquiries from sales, marketing and manufacturing interests.

YOUR OFFICE IN LONDON BUT NO CAPITAL COSTS! Luxury Furnished Offices, Short or Long Term, Multinational staff.

SETTING UP AN OFFICE IN MADRID OR BARCELONA? Fully furnished executive offices, Multinational staff.

AMERICAN BANK MOVES H.Q. OVER 500 Desks, Chairs, Filing cabinets, Tables etc. etc. must be sold.

PRINTING TECHNOLOGY The Financial Times proposes to publish its survey on 25 SEPTEMBER 1989. For a full editorial synopsis and advertisement details, please contact Alison Barnard on 01-573 4148.

BUSINESS FOR SALE

FOR SALE Barnett Plastics Limited

The Joint Administrative Receivers offer for sale the Business and Assets of this plastic injection moulding company based in Aldershot, Hampshire.
• Turnover £400,000 per annum.
• Good client base.
• Leasehold industrial/warehouse property of 4,340 sq ft approx on established industrial estate.
• Easy access to Aldershot British Rail, M3 Motorway and A3 routes.
• Plastic injection moulding machinery including 3 x 1 Battenfeld BA 750E, 1 x Battenfeld BA 300E, 1 x Negribossi NB 130, 1 x Negribossi NB 60. (All 1989 machines).

Touche Ross

Columbian Centre, Market Place, Bracknell, Berks RG12 1PA. Tel: (0344) 54445. Fax: (0344) 422681.

Authorised to carry on Investment Business by the Institute of Chartered Accountants in England and Wales.

COMPANY FOR SALE

High technology video company serving leisure industry based near Southampton. Unique position in fast growing markets including satellite television services with considerable growth potential.

FOR SALE

Old established trade printer/repro house, T/O £2m. Highly profitable. New equipment. Highly skilled workforce. North London location.

Athelstone Automation Ltd (In Receivership) Epsom, Surrey

The company designs and manufactures packaging equipment for the pharmaceutical and cosmetic industries and also undertakes precision engineering projects. Principal features include:

- Annual turnover of approximately £1 million
• Highly skilled workforce
• Leasehold premises in Epsom with a floor area of 9000 square feet and a car park of 7,350 square feet
• Good customer base, including several multi-national corporations
• Well maintained manufacturing plant and development machinery

For further details please contact the joint administrative receivers: Ian Williams FCA and Maurice Withall FCA, Grant Thornton, Grant Thornton House, Melton Street, Epsom Square, London NW1 2EP. Tel: 01-383 5100 extension 2211. Tele: 28984 Fax: 01-383 4077

Grant Thornton

The UK member firm of Grant Thornton International. Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Independent Direct Marketing Agency

with very impressive growth record is looking to sell growing business. Sum into eight figures required. Principals only please.

Printing Business for Sale

Old established general jobbing business with trade of about £150,000 situated in busy Surrey market town for sale, through approved retirement. Excellent opportunity for enterprising energetic printer.

PRECAST CONCRETE WORKS

Stanted roofing iron, most advanced machinery installed. Good turnover and profit. Enormous potential. Sale owing to retirement. Principals only write to Box F9103, Financial Times, One Southwark Bridge, LONDON, SE1 9HL.

WATER TREATMENT

Progressive company in all areas of this fast expanding market require to merge or sell. Market leaders with a turnover in excess of £1m. Interested parties should send brief details of themselves and their involvement in Water.

By Order of the Joint Administrators BA Gullivoye FCA, BBA & A J Sleight FCA, of Geoffrey Martin & Co, Re Cloverdale Ltd.

COOKED MEAT PROCESSORS

West Yorks. Cooked meat processing including beef, ham, turkey etc. Supplying wholesale & retail trades. Fully temperature controlled & equipped modern long leasehold works. Sales £2m pa. Business & Assets for sale.

EDWARD SYMONS & PARTNERS

2 Southwark Street, London Bridge, London SE1 1RQ. Tel: 01 407 8454. Fax: 01 407 6423. London Manchester Liverpool Bristol Southampton.

MILLER CORNWALL PRESTIGIOUS TIMESHARE COMPLEX. 30 superbly developed cottages - unold inventory of 417 timeshare weeks. Detailed FP for 18 further cottages (500 immediate weeks).

Offers in the region of £1.2m for the Companies. Ref: 499/131L.

FINAL REMINDER SOUTH WEST CORNWALL LAMORNA COVE. Beautiful cove, sandy beach, slipway and quay, 25 acres of cliffland, 2 car parks.

SELECTING TEXTILE PRINTERS LIMITED (IN ADMINISTRATIVE RECEIVERSHIP). Offers are invited for the business and assets of the company.

MANUFACTURER OF UNDERWATER REMOTE CONTROL VEHICLES. Private company wishes to dispose of subsidiary which is outside its future plans.

For Sale Specialised Engineering Businesses (North West)

- * Manufacturers of industrial machinery and transmission equipment, combined turnover £4 million, profitable.
* Quality products, specialist skills and machinery
* Healthy spare parts activity in support of several thousand machine installations worldwide.
* Scope for expansion
* Businesses for sale separately or together.

CURTAIN DREAM PLC. In Receivership. The Joint Administrative Receivers offer the business and assets of Curtain Dream plc for sale as a going concern.

FOR SALE MANUFACTURERS OF PROFESSIONAL RADIO FREQUENCY PRODUCTS. Medium sized well established company with an excellent name for high-tech products, requires continuity and investment for the future.

FOR SALE. Company involved in the refurbishment of military arms and equipment. Operates from 20,000 square feet freehold premises comprising factory and offices.

ROCKWHEEL AND TRENCHING CONTRACTING COMPANY FOR SALE. Company specialising in the supply of Rockwheel and Trenching equipment. Beneficial contracts with many public utilities.

FOR SALE. London based sanitary and door distributors. Annual Turnover exceeding £1 million. Also subsidiary - Norfolk based timber merchants with large freehold premises.

ANTIQUE ARCADE. Company owning internationally renowned antique arcade for sale. Net income over £110,000, constantly growing with immediate scope for enhancement with modest capital outlay.

A MOST PROFITABLE AND EFFICIENT. South Midlands based plumbing and heating contracting - Company with turnover approaching £4,000,000 is offered for sale.

THE LAKE DISTRICT. KEESWICK-on-ORWENTWATER - Well appointed delightfully situated 14 bedroomed private home 'Rickey's Grange'.

Publishing Company. Wishes to sell Profitable Advertising Contracting Division To Concentrate On Core Activities

TOOL STEELS. Stockists and distributors of tool steels and associated products in the U.K. and overseas are required by successful specialist steel manufacturer.

MARKETING/SALES OPPORTUNITY. Established Company seeking to consolidate its operations wishes to dispose of recognised comprehensive own-brand product range.

FOR SALE Independent Travel Agency T/O £2m+. Large office space, two retail locations ABTA/IATA. High ST locations in Busy Surrey Town Centre.

HOTEL IN MALTA. Excellent opportunity to purchase in prime location close to beach and popular St. Georges Bay.

Office Cleaning Contracts for Sale. Central London area. Turnover £100,000 per annum and increasing.

SPECIALIST PRESSWORK MANUFACTURER. Business and Assets for sale as a going concern. Based in Solihull West Midlands close to the M42.

ROBSON RHODES. For further details please contact the joint administrative receivers: Ken Jones or Andrew Merzies.

GENERAL HAULAGE CO. WITH STORAGE & DISTRIBUTION. Specialists in computer & electronic transport & installations.

GROUP REORGANISATION. A complete fabrication factory will shortly be surplus in North West market town.

U.S.A. ARCHITECTURAL PRECAST CONCRETE PLANT. ASSETS FOR SALE AT \$2.4 million (U.S.). This fully functioning plant, in a rapidly-growing, southeastern state, serves an annual construction expenditure market exceeding \$6 Billion for buildings suitable for their products.

FOR SALE. Bar turning business supplying components for the automotive industry with sales c.£2 million. Business is based in leasehold premises in the East Midlands and employs 50 people.

FOR SALE SMALL BRASS AND ALUMINIUM FOUNDRY. CENTRAL Midlands. Centrally located at Walsell. Modern Freehold Factory 2000 sq ft floor working area.

DATING/MARRIAGE BUREAU. Independent Group seeks to buy/merge with London based agency. Please contact in confidence.

FOR SALE. REGISTER OF ACCOUNTANCY practices for sale. Q&As from 50k - 250k. Across the UK. Fully equipped buying and selling service by partnership only.

Coopers & Lybrand. For Sale Developer and Manufacturer of Hi-Tech Medical Equipment. Private company. Turnover approx. £1.25 million.

Design & Wholesale: Cards & Stationery Wallpaper & Fabrics. Cheltenham, Gloucestershire. The assets including goodwill of this exclusive design company are for sale either in whole or part comprising stocks of £100,000 split equally between the stationary and interior design businesses.

MANUFACTURER OF UNDERWATER REMOTE CONTROL VEHICLES. Private company wishes to dispose of subsidiary which is outside its future plans.

TRAVEL AGENCY. Business, Wholesale, Retail. Air tickets ABTA IATA. Small, very experienced but unprofitable at present. T/O £600,000 and rising.

CAR, VAN AND TRUCK BUSINESS FOR SALE. London locations. Major UK franchise holder. Turnover in excess of £1.2 million p.a.

RECRUITMENT AGENCY. Independent Group seeks to buy/merge with London based agency. Please contact in confidence.

LANDSCAPE SERVICES COMPANY. with Turnover of £750,000 for sale. Principals only write to Box F9120, Financial Times, One Southwark Bridge, London SE1 9HL.

NIGHTCLUB FOR SALE. Written enquiries to Box F9100, Financial Times, One Southwark Bridge, London SE1 9HL. Principals only.

EMPLOYMENT AGENCY. E. Midlands. Long established managed business with fraahold offices. T/O £450K. Price £500K inclusive.

TRAVEL AGENTS - London. Unit 1 Turnover for current year will be circa £1,250,000. Unit 2 Turnover for current year will be circa £350,000.

RECRUITMENT AGENCY. Independent Group seeks to buy/merge with London based agency. Please contact in confidence.

SHIRT MANUFACTURING BUSINESS. For Sale: Turnover £2M with own freehold premises. Surplus to current requirements.

For Sale. Business supplying selected auction catalogue details to interested bidders on a subscription basis. Apply to Geoffrey Morgan FCA, Hook Harris, Terminus Terrace, Southampton SO1 1FE. Tel: 0703 332498.

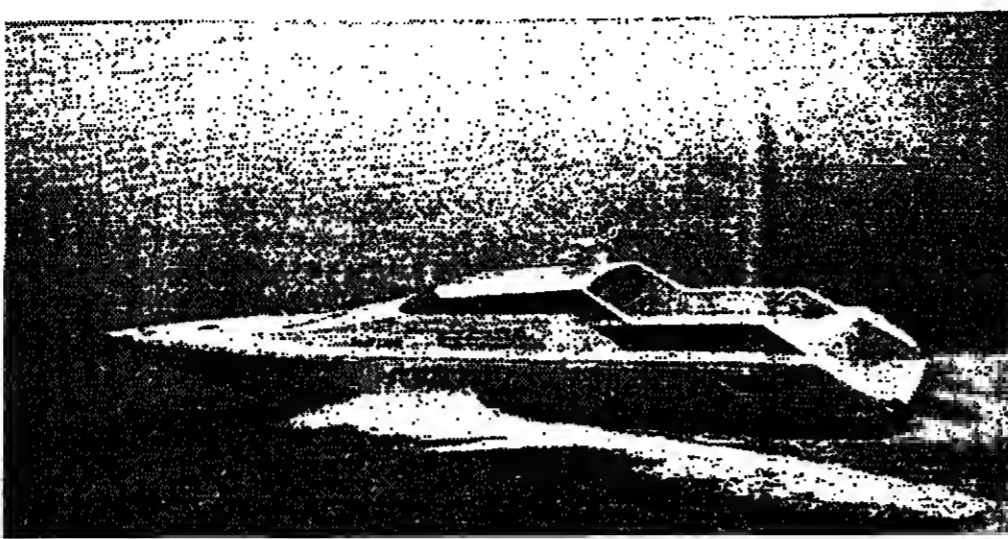
exercise... business... financial times...

TECHNOLOGY

Atlantic record thrusts water jet into the limelight

Nick Garnett reports on a propulsion system that suits power boats and pleasure boats

What is the most striking piece of propulsion technology shared by Gentry Eagle, which last week broke the record for the Atlantic crossing, and the Aga Khan's streamlined 350-tonne yacht Shergar? They are both powered by a little known but increasingly important piece of equipment - the water jet.



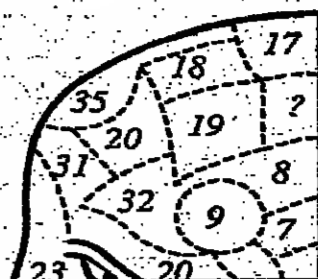
The water jet-propelled Gentry Eagle, which completed the 3,386-mile Atlantic crossing in 62 hr 7 min, beating Richard Branson's record by 18 hr 23 min

other end of the scale, K&M Wa, a subsidiary of the British group, Vickers, has made units up to 18,000 hp. Based in the sleepy township of Kristinehamn, K&M Wa has supplied some 340 water jets above 1,000 hp over the past seven years.

Design changes over the past few years have tackled the principal problem associated with propellers: "cavitation", the production of unwanted bubbles by pressure changes, which can cause vibrating shock waves and damage to components.

Methane can be a girl's best friend

MARILYN Monroe may well have approved of an industrial process which turns methane gas into diamond. Following a joint development and manufacturing agreement between GE Superabrasives, of the US, and Asahi Diamond Industrial, of Japan, films of industrial diamond, made from methane, will be available within the year.



WORTH WATCHING

Edited by Della Bradshaw

No rape of the roots

RAPE seed oil, more familiar as a component of vegetable oil, is making its contribution to Europe's green revolution. It has been developed as a lubricant for chain saws by the West German power tool manufacturer Stihl.

A fresh recipe for ozone

AS THE scares about food safety continue, one company has developed a technique for using a traditional steriliser - ozone - to keep food fresh. Ozone has been used for decades as a way of sterilising water, but Tri-Ox, of Swindon in the UK, has developed a way of using the gas to sterilise the air in refrigerated vehicles.

Desk-top glasnost

ONE OF the more obvious manifestations of glasnost in the Soviet Union has been the boom in publishing. Poised to take advantage of the UK's ITA, the automation company Rank Xerox, which has translated its Ventura desk-top publishing (DTP) software package into Russian, working with the Soviet Progress Publishers, the package has Cyrillic fonts and hyphenation both for the printed document and for the instructions on screen.

that the first customers for its software will be publishing companies, although businesses wanting to introduce DTP - for printing brochures or documentation - will benefit most.

Shop assistance by computer

EXTRACTING information from shop assistants in department stores can be a frustrating experience. But help is at hand as electronic point-of-sale (Pos) terminals, with full-size screens, replace the traditional cash register.

New frame for Old Master

THAT OLD Master you always wanted on your wall could appear to be yours with a television display technology. Manufacturers are already demonstrating flat-screen televisions, which are one inch thick and hang on the wall. The next move is to incorporate electronic frame stores in the sets, so that a picture broadcast overnight - a reproduction of, say, a Picasso or a Rembrandt - could be stored and displayed on the screen during the day.

Soapy water smoothes way for genetically engineered pesticides

A US company which believes it can expedite the transfer of genetic engineering into commercial and domestic pesticides and other plant protection products has begun to sell its wares in Europe. Safer Inc, of Newton, Massachusetts, was founded to sell a biodegradable pesticide already known to every gardener who has trenched plants with soapy water. Combined with certain modified microbes, the company's technology gives a broad-spectrum pesticide that should also satisfy ecologists, says the chairman Jack Hesse.

to be in tune with popular demand for more specific, less persistent plant protection. Safer was launched in 1979 by two Canadian forestry scientists, who aimed to refine soapy water into a pest-killing formula based on fatty acids. Some of these acids are lethal to pests because they quickly corrode and rupture living cell membranes, allowing the contents to leak. Different membranes - insect cuticle or leaf surface, for instance - are sensitive to specific fatty acids.

companies exploring genetic engineering. Hesse became chairman, with George S. Puritch, a founder, as his research director. Puritch had developed a basic formula comprising a 49 per cent solution of the potassium salts of various fatty acids in a solution of alcohol and water. This provides a concentrate readily diluted by the farmer or gardener, which leaves no persistent residues in the soil. The ingredients biodegrade within 48 hours.

which is extracted from chrysanthemum petals. Another is citrin, made from shellfish, which kills nematodes by encouraging the growth of enzymes that are toxic to these worms. But the agents that particularly interest Hesse are microbes that attack a particular pest. A natural one is Bacillus thuringiensis, which kills caterpillars. These organisms can give the product persistence, remaining active in soil for months and even years.

BUSINESS FOR SALE Shelley Press Limited (In Receivership) Manchester The above company's main activity is lithographic colour printing of book jackets, covers, publicity material and labels: Annual turnover £.5m In-house lamination Skilled workforce Freehold premises For further details please contact the Joint Administrative Receivers: Malcolm Shierson and Allan Griffiths, Grant Thornton, Heron House, Albert Square, Manchester M2 5HD. Tel: 061 834 5414 Fax: 061 832 6042 Grant Thornton

BUSINESS WANTED WANTED PLANT AND TOOL HIRE BUSINESS A full listed plc wishes to acquire a plant and tool hire company with, or at least the potential to develop, a national network. Existing management will receive all necessary incentives to remain and develop the business within a stimulating and rewarding group environment. Companies wishing to respond should be profitable, well organised and have an existing turnover of at least £1m. For further details write to: Box F9113, Financial Times, One Southwark Bridge, London SE1 9HL. WANTED BUILDING PRODUCTS BUSINESS Kingsway Group plc is looking to acquire a manufacturer of building products with pre-tax profits between £500,000 and £2,000,000 p.a. and balance sheet net worth of at least £2,500,000. The purchase consideration will be paid in cash or tax efficient loan notes if required. Principals should contact Norman Bright, MD, Buildings Materials Division of Mike Bourne at Celson House, 289-293 High Holborn, London, WC1V 7JU, telephone 01-242-9766. All dealings will be treated in strictest confidence.

FT LAW REPORTS Unsafe premises conviction wrong The Act provided that a person who has, to any extent, control of non-domestic premises and who made them available to non-employees to use as a place of work or as a place in which to use plant or substances, had a duty to take such measures as it is reasonable for a person in his position to take to ensure, so far as is reasonably practicable, that the premises, plant or substances were safe and without risks to health. Under its cleaning contract with Austin Rover, Westleyshire provided its own cleaning thinners. Its employees were instructed (1) not to use Austin Rover's thinners from the projecting pipe; (2) not to enter the sump when other cleaning operations were taking place in the booth above; and (3) only to enter the sump with an approved safety lamp. After the accident it was discovered that all these instructions had been disregarded. The justices convicted Austin Rover and fined it £2,000. They found it was "in control" of the Cowley works. They concluded the equipment had a duty to ensure that the thinners did not enter the sump, by capping off the projecting pipe or closing the valve outside the booth, and to ensure that there was sufficient ventilation. The Divisional Court allowed Austin Rover's appeal, and quashed the conviction. It concluded that in the absence of any finding as to whether it was foreseeable by a person in Austin Rover's position that there would be interference with the projecting pipe, it was under no duty to take further precautions. The inspector now appealed. Section 4 recognised that more than one person might have a degree of control of the premises at any one time, and so be under a duty. The words "to any extent" and "to take such measures as it is reasonable for a person in his position to take" pointed to possible divided control. The first question was what was meant by "safe and without risks to health" in the context of the premises and substances to which section 4(2) referred. Safety of premises was not an abstract concept. It must be related to the purposes for which the premises were being used at any one time. Some premises might be unsafe for any normal use. Others might be completely safe for the purpose for which they were designed, but completely unsafe for other purposes. Regard must be had to the use to which the premises were being put at the relevant time. If it was reasonably foreseeable that such use involved risk to health, the premises were then unsafe. The second question was as to which factors might be taken into account in determining what measures it is reasonable for an accused to take to ensure safety. Section 4 applied to anyone who was in control of the premises and who called in tradesmen to carry out repairs. It applied to those tradesmen in relation to the employees of others. And it applied to anyone who made the premises available on a temporary basis for others to carry out work. The words "to any extent" and "to take such measures as it is reasonable for a person in his position to take" in section 4(2) required consideration of not only the extent to which he had control of the premises, but also of his knowledge and reasonable foresight at all material times. Thus, when a person made premises available for use by another, the reasonableness of the measures he needed to take to ensure their safety, must be determined in the light of his knowledge of their anticipated use and the extent of his control and knowledge, if any, of the actual use. If premises were not a reasonably foreseeable cause of danger to anyone acting in a way in which a human being might be reasonably expected to act in circumstances which might reasonably be expected to occur during the work or use for which they were made available, it would not be reasonable to require the taking of further safety measures against unknown and unexpected events. The question was not whether there were reasonable measures which could be taken to ensure safety and the absence of risk to health, but whether it was reasonable for a person in the accused's position to take measures with those aims. The approach to a successful prosecution under section 4 was that the prosecutor must first prove that the premises were unsafe and constituted risks to health. If he so proved, then he must go on to prove that persons at that time had any degree of control of those premises. Then he must prove that it would be reasonable for one or more of the persons having a degree of control to take measures which would ensure safety. If he proved those three matters, the onus shifted to the accused to prove that it was not reasonably practicable to take the measures in question. Prior to the outbreak of fire in the sump, a number of events took place which should not have taken place if Westleyshire or its servants had acted in accordance with the contract or instructions. In the first place the fellow employee drew off thinners into the drum from the projecting pipe. Second, he tipped thinners from time to time into the sump. Third, the deceased went in to the sump when the fellow employee was working in the booth above. Fourth, he went into the sump with a lamp which was not an approved safety lamp. The justices made no findings that any of those four events should have been foreseen by Austin Rover. In the absence of any such findings it could not be said that it was reasonable for Austin Rover to have taken measures to make the premises safe against that unanticipated misuse. The Divisional Court was correct. The appeal was dismissed. LORD GOFF agreeing that the appeal should be dismissed said that subject to the limited qualification "so far as is reasonably practicable," the duty to ensure that the relevant premises were safe for any use for which they were made available was prima facie absolute. In other words, the complainant had only to prove the defendant had failed to ensure (so far as he could reasonably do so, having regard to the extent of his control) that the relevant premises were safe and without risks to health. The onus then passed to the defendant to prove that it was not reasonably practicable for him to eliminate the relevant risk. It was at that stage that reasonable foreseeability became relevant in the sense that there had to be an assessment of the likelihood of the incidence of risk. Lord Mackay, Lord Bridge, Lord Brandon agreed with Lord Jauncey. For the inspector: Nigel Fleming (Treasury Solicitor). For Austin Rover: Charles Harris QC (Barristers). Rachel Davies Barrister

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BUSINESS ADVERTISING ALSO APPEARS TODAY ON PAGE 32

Tuesday August 1 1989

Crime and punishment

THE MURDER of Lt Col William Higgins is an outrage which admits of no moral justification, either for the murderers or for whoever instigated them to do it. That should be self-evident. The part played in the tragedy by the misjudgments of other parties requires more analysis, but that should not be taken as an exoneration of the crime.

Power struggle

The question which will exercise many western policymakers is how to reconcile this barbarous and provocative action by a strong president with the Iranian proclivities with the election on Sunday of a new Iranian President apparently committed to improving Iran's relations with the outside world. The answer may be to see it as part of a power struggle within Iran between President Rahnjani and his supporters on the one hand and hard-liners associated with Mr Ali Akbar Mohtashemi, the Interior Minister, who as a former ambassador to Syria is believed to have close ties with the Lebanese extremists, on the other.

Grievous mistake

If that was Israel's aim, it was a grievous mistake. A civilised government cannot compete in callousness with a band of desperadoes. The logic of such competition would now require Israel to "execute" the Sheikh. Mr Menachem Begin did not shrink from that logic when hampered by British sergeants in retaliation for the execution of two of his men by the British authorities. But he did so as a wanted terrorist leader in the 1940s, not as prime minister in the 1980s, his successor could not contemplate following that precedent now.

The heart of Europe

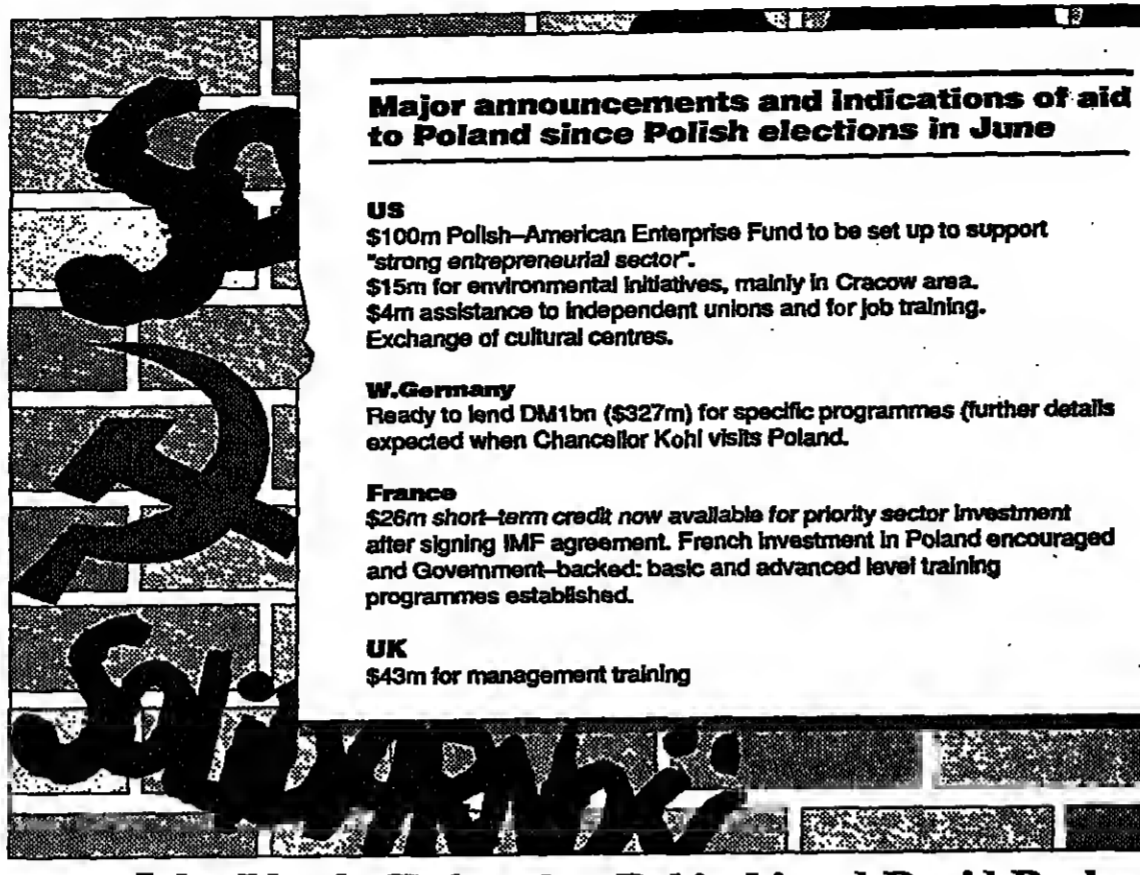
WEST GERMANY is the pivot between eastern Europe, now in the turmoil of reform, and western Europe, in the throes of economic integration. It is, in fact, the heart of Europe. Nothing is more important for the future of Europe than that its German heart should beat healthily.

Sustained outflow

The big question for the future is whether such an outflow can be sustained. Though coded, the OECD's doubts are clear enough. A real appreciation of the exchange rate is thought desirable, which would require a re-alignment within the EMS.

Rapid growth

Rapid growth of exports has a major impact on total demand in West Germany's export-dependent economy. With capacity utilisation and profitability at levels last seen in the early 1970s, corporate balance sheets as strong as in the late 1980s and inflation low and stable, the expansion of investment is easy to explain, at least in hindsight.



John Lloyd, Christopher Bobinski and David Buchan on western assistance to the Poles

Poland learns the price of aid

After the rhetoric, the reckoning. Poland's new rulers, who on a broad definition must include a politically triumphant Solidarity, have succeeded in convincing western governments of the need to assist their prostrate economy.

Today in Brussels, representatives of 24 industrialised countries meet to try to put more flesh on an already substantial structure of aid to Poland, in a highly interventionist international reconstruction effort. This unique and uniquely important help is aimed at transforming the Polish economy from a state socialist to a free market type. It is aid in the service of a new politics and a new organisation of society.

meat items. This is in addition to a doubling, at least, of the price of other foodstuffs. The Government, weakened by the election, is clearly terrified by the prospect of a move which has, in the past, caused momentous riots, helped, indeed, produce the Solidarity trade union movement — and this time could threaten the tattered remains of Communist rule.

What is not known is who will control the funds which the aid produces — whether institutions controlled by Solidarity, the Government, or some sort of joint authority. Yet what is now clear is that this and other western aid is fundamentally different from the loans of the 1960s and '70s: that vast, nearly \$40bn foreign debt burden which the Poles now carry.

- European Community**
Instructed by G7 summit of 15/16 July to "take the necessary initiatives" to co-ordinate aid. This will include:
Ecu110m (\$121m) food aid.
Longer term aid to agriculture sector.
5 year preferential trade deal.
- World Bank**
\$325m worth of loans for industrial restructuring and agri-industrial development.
- Paris Club**
Likely to agree to reschedule its \$24bn share of Poland's \$39bn worth of debt, for the fifth time. Poland stopped paying interest on it anyway.
- Commercial banks**
Asked by Poles in May to reschedule the rescheduled \$9bn cumulative debt to banks. Poland missed interest payments in June. Likely to reschedule.
- International Monetary Fund**
Studying draft agreement with Poland. Poland will qualify for help under Brady debt reduction plan, after IMF agreement — thought to be forthcoming at end of year.

neo-liberalism while others prefer western social democracy. Further, when the new managers look for profits, for capital and for markets, they will also tend to turn west. The pattern of production and investment since the war has been to orient Poland's industrial base towards the needs of the Soviet Union.

The thorough discrediting of that model, the poverty and backwardness it is seen to have stamped on Polish society, added to the inability of Com-econ, the Soviet-bloc economic community, to advance much beyond the exchange of sub-standard goods and raw materials for unconvertible currencies, have all combined to spike the guns of the political fundamentalists and lead authority to the reforms.

The reforms which are being called for, first among them price rises, could meet resistance on the streets. Solidarity, fearful of losing its popular base, has already signalled it wants full wage indexation. The "official" union movement, OPZZ, which is attempting to recover prestige through militancy, cannot afford to be left behind.

*Poland, by Kolankiewicz and Lewis, published by Pinter, 1988.

Talking to the trees

A limited edition of a new magazine will appear today called PULP. It is printed on recycled paper, has 56 pages of articles and drawings, and is all in black and white except for the top part of the exclamation mark, which is green.

Young Moores

Cecil Moores, who died at the weekend aged 86, was the quieter of the pair, but a key figure none the less. He and his brother, John, established Littlewoods' pools.

Welsh wars

Wales has fallen out with the Foreign Office. In his search for inward investment, Peter Walker, the Welsh Secretary, has been strongly supporting the Welsh Development Agency, which wants to open further offices abroad.

New mount

Rod Stammer, for the last two years an assistant commissioner in the Royal Canadian Mounted Police and as such one of Canada's most senior officers, today begins a new career. As an accountant.

Hiccoughs

Something is up with the Reuter financial services. Last Friday there was a line on the wire that the Fed had made arrangements for a repurchase of US government securities.

Lost touch

The autumn conference of David Owen's Social Democratic Party in Scarborough has had to be put back two days because of a local difficulty over bookings. The conference clashed with a magicians' convention and the organisers have given precedence to the people with real magic.

Nagging doubt

What did Lady Godiva's husband say when she returned from her famous ride? "Your horse got home some hours ago."

OBSERVER



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for work, going to the office from his Formby home up to four times a week — even though he retired as chairman in 1979 to become life president.

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LETTERS

Falling on the sword

From Mr John Goulondris. Sir, Now that the dust surrounding the County NatWest/Blue Arrow affair has started to settle, I feel it is time to consider the justness or otherwise of the Department of Trade and Industry (DTI) report itself.

County NatWest is one of many independent, autonomous subsidiaries of the National Westminster bank group. Each subsidiary has its own chairman and chief executive.

year. There can be no doubt that the young County Bank executives committed wrong, probably quite knowingly, and these once-proud Prometheans have been justly punished.

Justice involves punishing the guilty - that is, those whose behaviour falls below acceptable standards. At the moment the DTI report is perversely unjust in that it tars with the same brush those culpable in this appalling affair as well as those who were not in any way directly involved.

Albatross at the polls

From Mr Roger Graftiey-Smith. Sir, Michael Prowse's excellent article on "The World's Worst Tax" (July 28) reveals the poll tax in all its grotesqueness. We should also not forget that its trivial provenance was an indiscreet promise by Mrs Thatcher herself, years ago, to abolish the rates.

I would disagree with only one aspect of the article. It is not apathy but gulfiness which characterises the electorate and their representatives - well illustrated by the Prime Minister's maladroit if ruthless pulling of political levers last week.

Streetwise earnings

From Ms Victoria Provis. Sir, Surely Peter Brown (Letters, July 27) misses the point. Does he really believe that intelligent teenagers, facing the choice of leaving full-time education at 18 or continuing to university, will base their decision on the predicted income streams from these alternatives over the relatively short period to the age of 30?

more on desire to learn about a chosen subject, meet stimulating people of a similar age and have fun, than on the "opportunity cost" of short-term earnings.

Public snouts seem likely to be pushed aside

From Mr C. Schaanning. Sir, Your Lombard column ("Snouts in the trough," July 27) suggests that Britain's captains of industry may have been revolting themselves a little too enthusiastically recently, and gives the examples of the salaries earned by Lord King, Sir Denys Henderson and others.

ish Rail versus the transport unions, this argument could have been extended to include also the remuneration of senior executives in the nationalised industries. How can one hope to replace Sir Robert Reid, the chairman of British Rail, when he retires, with a "rough-tough" outsider such as Mr David Simon, managing director of British Petroleum, unless such a candidate can be offered terms at least equal to his present remuneration?

public sector must follow suit, and be allowed to pay the market rate to attract capable talent, or it will plod along with its existing management, with little or no hope of improving efficiency.

Parliament should pass a law requiring majority shareholder approval to be given at a company's annual general meeting, for any increase in salary over and above the current rate of inflation.

Facts matter

From Mr Peter Armstrong. Sir, Your international edition (June 20), reporting Mr Tyson's belittling of Holly Farms, says that Mr Tyson is from Tennessee.

it would be appreciated if you would correct this mistake about such a well-known person born in Arkansas.

A case for further study

From Mr Richard Rogers. Sir, Robert Cowan's article on Milton Keynes ("Case study: Milton Keynes," FT survey of architecture, July 20) states: "Auschwitz, Nuremberg, and Milton Keynes, declared Leon Krier, now planner to the Prince of Wales at Dorchester,

'are all children of the same parent.' I should be grateful if Mr Krier could elucidate this bizarre statement.

'Signs of disaster are here'

From Mr D.R. Deane. Sir, I do hope that someone has placed Frank Blackaby's article ("A soft landing is wishful thinking," July 26) under the noses of Mrs Margaret Thatcher, the Prime Minister, and Mr Nigel Lawson, the Chancellor of the Exchequer.



Rough places made plain

From Mr Gerald Teu. Sir, From time to time there is complaint about government forms. My wife and I have just completed our applications for state pension (a comfort, as I have been paying in since August 1942).

The Department of Social Security has taken a great deal of trouble about the layout and language and is to be congratulated.

Euro-lesson

From Mr Neville Beale. Sir, Your leader (July 29) echoes received wisdom that "there are signs that opinion in Britain is beginning to shift" towards closer European integration than the UK Prime Minister is supposed to favour.

Care of a wilderness

From Miss Cassandra Phillips. Sir, Your report (July 5) on the Antarctic Minerals Bill debate implies that the convention Bill is designed to support is a purely environmental protection measure.

The Anstrals have already vetoed the Antarctic Minerals Convention. They have been joined by France and Belgium in calling for the Antarctic Treaty consultative parties to negotiate an international wilderness regime for Antarctica, which would outlaw all mineral activities.

'English grammar is easy'

From Mrs Freda Zoetewij. Sir, Mr Nicholas Dale (July 1) makes some cogent points in his defence of the teaching of grammar and standard English. I hope that his letter will be given serious consideration by the decision-takers.

Children from educated homes will always learn to speak and write correctly - their parents will see to that. Why handicap the less fortunate children of immigrants, by unnecessarily depriving them of this simple tool? Such a move will only perpetuate class distinctions.

Time for new thinking about Guyana

From Mr Cheddi Jagan. Sir, Twenty years ago (October 30, 1969) you carried a special supplement on Guyana. It did not mention that, earlier that year, Granada TV stated: "The newly re-elected Prime Minister of Guyana, Forbes Burnham, arrives in London today (January 6, 1969) for the Prime Ministers' conference. He should not be attending. As the commentator remarked, the 1968 "elections" were neither free nor fair."

In your 1988 survey on Guyana the headlines read: "Down-turn in sugar as rice crop falls." "The pain of trying to achieve economic recovery." "An economic about-turn." "Mr Hoyte puts a stop to the reign of terror." "Danger that DMF medicine might prove too strong."

an outcome - unlikely to be welcomed by the US and UK whose dislike of Dr Jagan's out-dated Marxist rhetoric is well-known - might also arguably signal this young country's final coming of age."

It is cold-war thinking that caused the acceptance of L.F.S. Burnham as the "lesser of two evils," despite the view of him set out in Arthur Schlesinger Jr's book, One Thousand Days: John F. Kennedy in the White House. "Thus far (May 1962), our policies had been based on the assumption that Forbes Burnham was, as the British described him, an opportunist, racist and demagogue, intent only on personal power."

FOREIGN AFFAIRS

A baptism of fire for Mr Major

Robert Mauthner argues that the EC is likely to make or break the UK's new Foreign Secretary

The lack of enthusiasm with which Mrs Margaret Thatcher's Cabinet reshuffle has been greeted abroad reflects the generally gloomy view that Britain's closest allies, particularly in Europe, have long had of British foreign policy.

Brief excursions into European history, like telling President Francois Mitterrand that the Greeks and the British, not the French, invented the rights of man, hardly compensate for the widespread perception that Mrs Thatcher lacks any real vision of Britain's place in a rapidly changing world.

probably true in the short term, could prove to be wrong in the longer run for two reasons. The poor showing by the Conservatives in the recent elections to the European Parliament has underlined the Prime Minister's vulnerability on European matters, as has the reaction in the party and Parliament to the reshuffling of Sir Geoffrey.

ish foreign policy and the new Foreign Secretary's diplomatic and negotiating skills will be severely tested in the coming months on the European front. President Mitterrand, who has taken over the European Community's chairmanship for the next six months, has already made it clear that he intends to move full steam ahead towards monetary union.

British foreign policy will be severely tested in the coming months on the European front

about the direction that European policy has been taking. The second reason why more optimism might be in order is that having, at last, reshuffled her Foreign Secretary, Mrs Thatcher is unlikely to do so again before the next general election, due to take place at the very latest in the summer of 1992.

ermental conference and majority voting to ensure that monetary union continues beyond its first phase. Whether he will get his way is not yet certain. But it is already clear that the situation contains all the elements of a damaging crisis, including the explosive component of an Anglo-French clash over Mr Mitterrand's threat to link the liberalisation of French capital movements to satisfactory progress towards monetary union.

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FBI set for futures fraud swoop on Chicago traders

By Deborah Hargreaves in Chicago

THE FEDERAL Bureau of Investigation is set to swoop in Chicago this week, with a range of indictments against traders as part of the massive FBI probe into futures fraud.

widespread fraud among futures traders, FBI investigators posed as brokers and secretly recorded conversations in the tumult of Chicago's trading pits.

Chicago law firm Genson, Steinhack & Gillespie. "They don't really think they were defrauding anyone."

"These were practices where the exchange would maybe levy a \$5,000 (\$2,125 or \$10,000 fine," says Mr Genson, "and now suddenly people will find themselves going to jail for it."

Maxwell Communications has been such a bad investment for so long that the question of re-rating was bound to crop up eventually.

Georgia's summer of discontent

Quentin Peel analyses resurgent nationalism in a Soviet republic

SUMMERTIME in Soviet Georgia should be a time of holidays, sunshine, wine and watermelons.



Thousands of Georgians join a funeral procession for victims of clashes between demonstrators and troops in Tbilisi, capital of the republic, which left 19 dead.

Tourists flock into the historic streets and churches of Tbilisi and cruise along its Black Sea resorts from every part of Eastern Europe and the Soviet Union.

Mr Zviad Gamsakurdia, leader of the St Ilya Society and the most respected leader of the dissident nationalist movement.

pressure and we force him," Mr Gamsakurdia claims.

He welcomed Vietnam's decision to pull its troops out by 21 September, but insisted that the withdrawal must be complete and genuine.

Half the holiday resorts on the Black Sea have been shut down by vicious race riots in Sukhumi and the surrounding villages.

Then on July 15 disaster struck. The Abkhazian minority living between the Black Sea and the Caucasus mountains, apparently incensed by Georgian nationalism, struck back with a furious attack on local Georgians.

Mr Nguyen Co Thach, Vietnam's Foreign Minister, responded to the Chinese overture in a conciliatory fashion.

Mr Thach said he was confident that an overall Cambodian agreement could be reached since there was now a convergence of views on the essential points.

Never in recent years have Georgians seemed so united in their determination to regain independence from their huge Russian neighbour.

Mobs armed with pistols and semi-automatic weapons roamed the villages, set up road blocks, and beat up any passing Georgians.

UN officials are preparing an emergency fact-finding mission but are worried about the difficulties of setting up proper mechanisms before the Vietnamese withdrawal starts.

The next move in Fed funds will be down: that much is clear. However, the market has got so carried away with the notion that interest rates are a one way bet that it confidently expects a full percentage point fall in Fed funds over the next month or so.

Interior Minister proposed as Polish PM

By Christopher Bobinski in Warsaw

GENERAL Czeslaw Kiszczak, the Polish Interior Minister, has been nominated as the country's next Prime Minister.

where he needs a simple majority.

329 seats to the opposition's 161.

Officials of 24 western industrialised countries will today meet to discuss ways to bolster political and economic reforms in Poland and Hungary.

The candidacy of Gen Kiszczak, who headed the official side in the reconciliation talks that paved the way for partly free elections, is expected to be announced today to the Sejm, or lower house of parliament.

Once his own appointment has been endorsed, he must then form a Government which will in turn need approval from the Sejm, where the Communists and their allies have a built-in majority, with

Polish were flocking to food shops in an attempt to stock up before food prices rise today.

But today's meeting is not expected to make any dramatic pledges of new aid, beyond those already made, chiefly by the European Community and the US, of food aid to Poland where food price controls are also to be removed today.

WORLD WEATHER

Table with columns for location, temperature, and weather conditions. Locations include Alaska, Algeria, Amsterdam, Athens, Bahrain, Bangkok, Barcelona, Beirut, Belgrade, Berlin, Bombay, Buenos Aires, Budapest, Cairo, Cape Town, Caracas, Copenhagen, Chicago, Cincinnati, Dallas, Delhi, Doha.

Table with columns for location, temperature, and weather conditions. Locations include Madrid, Manchester, Mexico City, Moscow, New York, Paris, Rome, Seoul, Singapore, Stockholm, Taipei, Tel Aviv, Toronto, Tokyo, Warsaw, Wellington, Washington, Zurich.

Rises of 200 or even 300 per cent are expected as the first stage of a plan to liberalise the processing and sale of food goes into operation.

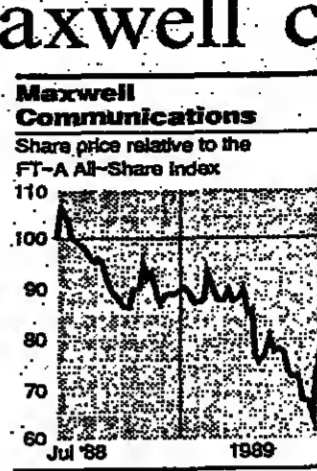
Buffett moves on Coca-Cola

Continued from Page 1

recently at \$2.28. Last year, Berkshire Hathaway spent \$55m to add Coke to its small but productive group of publicly quoted investments, which include Capital Cities/ABC, the media group, the Washington Post Company and GEICO, an insurance company.

Publishing the Maxwell case

Share price relative to the FT-A All-Share Index



Maxwell Communications has been such a bad investment for so long that the question of re-rating was bound to crop up eventually.

of 1.5 to 2 per cent. Unless Friday's employment figures are woefully weak the Fed will have little reason to ease at once.

China offers guarantee on Cambodian independence

By George Graham in Paris

CHINA'S foreign minister yesterday raised hopes of progress in the Cambodian peace talks with a conciliatory speech which offered to guarantee Cambodia's future status as an independent, neutral and non-aligned nation.

Mr Giam Qichen's speech to the international conference on Cambodia in Paris yesterday carefully avoided any direct reference to the Khmer Rouge, led by Mr Khieu Samphan.

BT/Tymnet

When it comes to overseas acquisitions the stock market is understandably sceptical about British Telecom's ability to spend its huge cash flow sensibly.

LWT

Judging by the 12 per cent rise in LWT's share price yesterday, the stock market thinks everybody wins a prize in the company's latest game show, otherwise known as the partial management buy-in.

Markets

The next move in Fed funds will be down: that much is clear. However, the market has got so carried away with the notion that interest rates are a one way bet that it confidently expects a full percentage point fall in Fed funds over the next month or so.

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INTERNATIONAL COMPANIES AND FINANCE

Maxwell's media group in top 10

By Raymond Snoddy

MR ROBERT Maxwell, the UK publisher, appears to have lost his taste for getting bigger for its own sake - even if it does mean he will never be able to catch his old rival Mr Rupert Murdoch, chief executive of the UK's News Corporation.

Overseas side boosts Schering

By Andrew Fisher

NET PROFITS of Schering, the West German pharmaceuticals and chemicals company, jumped 21 per cent in the first half of this year to DM162m (\$88m), helped by improved performances in Japan and in the UK agrochemicals business.

The company repeated its forecast that group earnings would show a double-digit increase this year. Turnover in the first six months was 16 per cent higher at DM3.2bn, the main impulse coming from abroad, where turnover was up 18 per cent to DM2.5bn.

Schering said that the rise in foreign turnover partly reflected favourable currency trends. However, the relative weakness of the D-mark also affected raw material prices, which were, on average, 8 per cent higher. Increased tin and nickel prices affected the industrial chemical and electroplating divisions. However, average prices for Schering products were 2.6 per cent higher.

In the 15 months to the end of March 1989, compared with £166m in the 12 months of 1987, the bottom line showed a sharp drop in earnings per share. These totalled 94p, in the wake of a large 1987 rights issue, compared with 26.7p for 1987.

Montedison move on minorities

By Alan Friedman in Milan

MONTEDISON, the Italian chemicals and pharmaceuticals company controlled by Mr Raul Gardini's Ferruzzi group, is planning offers worth \$1.06bn to acquire the minority shareholdings of two subsidiaries - Himont, the 81-per-cent-owned polypropylene maker, and Erbamont, the 72-per-cent-owned pharmaceuticals company.

Montedison plans an offer worth \$922m for the outstanding 19 per cent of Himont, a company formed in 1986 as a joint venture with Hercules of the US and majority-owned by Montedison since 1987. Himont, which claims 30 per cent of the world polypropylene market, made a 1988 net profit of \$372.9m on sales of \$1.7bn.

still like to take Maxwell Communication Corporation to fifth or sixth place in the international media league table. Mr Maxwell forecast that by the end of this financial year - March 1990 - MCC would be a purely publishing and communications business, after selling the last of the printing and non-core businesses for around \$1.4bn. By then, the overall group debt would have dwindled to \$1.5bn, net of all disposals and repayments.

CanPac shares surge on bid rumours

By David Owen in Toronto

A FOREIGN-BACKED takeover bid for Canadian Pacific, Canada's second largest conglomerate, is rumoured to be in the offing, following abnormally heavy trading in the company's shares over the past two weeks.

Close to 10m CP shares have changed hands in this time on the Toronto Stock Exchange alone, and the Montreal-based company's stock price has risen by more than 20 per cent. By mid-morning yesterday, the stock was trading in Toronto at C\$28 3/4. With some 317m shares outstanding, this values the company close to C\$9bn (US\$7.6bn).

Group sales were £1.39bn for the 15 months, compared with £284.1m in 1987. The total dividend for the period will be 12p - an annual 14.4p compared with 14p in 1987.

London TV company plans to restructure

By Raymond Snoddy

LONDON Weekend Television, one of the big five UK independent television (ITV) companies, is planning a radical restructuring complete with a £135m (\$216m) hand-out to shareholders, paid for by the creation of £100m in debt, and a 15 per cent stake for senior executives.

The plan is LWT's response to the UK Government's proposals to award ITV franchises to the highest bidder above a quality threshold. Mr Christopher Bland, chairman of LWT Holdings, explained yesterday that the restructuring was designed to make the company as lean and fit as possible for the franchise auction.

Wang reveals heavy losses and plans to restructure

By Louise Kehoe in San Francisco

WANG Laboratories, the US office automation equipment manufacturer, revealed the full depth of its financial problems yesterday, announcing heavy losses for the fourth quarter and plans for a major consolidation of its business.

Weak demand in the US, coupled with pressure on profit margins in its desktop computer line, reduced fourth quarter revenues and earnings. The strengthening US dollar also affected international sales, Wang said.

As one of its cost cutting measures the company cancelled its 4 cent quarterly dividend for the first quarter of fiscal 1990.

Siemens improves on all fronts

By Andrew Fisher in Frankfurt

SIEMENS, the West German electrical and electronics group, yesterday reported brisk progress on all fronts in the nine months ended June 1989, with a 12 per cent rise in net profits to DM1.03bn (\$570m) and a rise in new orders.

The number of orders in the first nine months was 18 per cent higher than the previous corresponding period at DM47.7bn. Reflecting the buoyancy of the German economy, new domestic business surged by 19 per cent to DM20.7bn after a flat performance the previous year.

Although turnover was up 11 per cent at DM23bn, the full year's total will be only slightly above the DM59.4bn of 1987-88, because only one nuclear power station order is being involved against two last year.

Dresdner Bank profits rise by 22%

By Andrew Fisher in Frankfurt

DRESDNER BANK, West Germany's second largest bank, increased group partial operating profits by 22 per cent to DM978m (\$467m) for the first half of 1989 compared with the first half of last year, with continuing income showing a sharp rise and operating costs held in check.

Full operating profits, for which no actual figure was given, showed a similar gain, the bank said, after a rise in Dresdner's own foreign exchange and securities trading profits.

with annualised costs and expenses reduced by more than \$500m compared to fiscal year 1988," company representatives said.

Siemens said that new business benefited KWU, its power station subsidiary, and the telecommunications, security systems, energy and automation activities. With the rise in business came an 8 per cent jump in labour costs to DM18.8bn, as the workforce rose by 11,000 to 354,000.

Reflecting the buoyancy of the German economy, Dresdner said that credit advances to domestic companies increased considerably during the half year, especially for short and medium-term loans. Lending to private customers also rose sharply, the emphasis being on longer-term credits.

All these securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

July 1989



HINO MOTORS, LTD.

U.S.\$200,000,000

4 3/4 per cent. Guaranteed Notes due 1994

with Warrants

to subscribe for shares of common stock of Hino Motors, Ltd. The Notes will be unconditionally and irrevocably guaranteed by

The Mitsui Bank, Limited

ISSUE PRICE 100 PER CENT

The Nikko Securities Co., (Europe) Ltd.

- Mitsui Finance International Limited, Yamaichi International (Europe) Limited, DKB International Limited, Fuji International Finance Limited, Barclays de Zoete Wedd Limited, Baring Brothers & Co., Limited, Bayerische Vereinsbank Aktiengesellschaft, Chase Investment Bank, Credit Lyonnais Securities, Daiwa Europe Limited, Robert Fleming & Co. Limited, Generale Bank, KOKUSAI Europe Limited, LTCB International Limited, Merrill Lynch International Limited, Mitsui Trust International Limited, Morgan Grenfell & Co. Limited, Nippon Kango Kakumaru (Europe) Limited, Nomura International, Saitama Finance International Limited, Salomon Brothers International Limited, J. Henry Schroder Wagg & Co. Limited, Swiss Bank Corporation, Taiheiyu Europe Limited, Taiyo Kobe International Limited, S.G. Warburg Securities, Westdeutsche Landesbank Girozentrale

This announcement appears as a matter of record only.

\$65,000,000



Telefonica Internacional de Espana

has acquired 10% of the shares of

ENTEL-Chile

(Empresa Nacional de Telecomunicaciones)

Banco Santander has underwritten the placement of an additional 10% of the shares of Entel.

The undersigned acted as financial advisor to Telefonica Internacional de Espana, structured the transaction, arranged for the purchase of shares and the debt/equity swap, and provided the Chilean debt for the swap.



Banco Santander

June 1989

YAMAICHI DYNAMIC Management Company S.A. Société Anonyme R.C. Luxembourg B 21236

YAMAICHI DYNAMIC GROWTH FUND Notice to Shareholders

The net assets of the Fund having fallen, for more than six months, to below one quarter of the legal minimum, the Board of Directors of Yamaichi Dynamic Management Company S.A. has decided in agreement with the Custodian, to terminate the operations of the Fund and proceed with its liquidation as from 21st June, 1989.

In accordance with Article 11 of the Management Regulations, issues and redemptions of shares have been suspended as from this date. The calculation of the net asset value has also been suspended.

The Management Company, as liquidator of the Fund, has appointed Fiduciare Générale de Luxembourg to assist it in the liquidation of the Fund. It is expected to reimburse to the remaining shareholders the corresponding net asset value per share that will be determined by the Management Company on or before the 31st October, 1989 but no assurance can be given that this date will be respected.

Shares should be presented to the Paying Agent, Banque Paribas Luxembourg. At the close of liquidation any outstanding amounts will be deposited with the Caisse des Consignations in Luxembourg on behalf of the beneficiaries.

All accounting records and legal documents relating to the Fund will be retained at the registered office of the Fund, 10A Boulevard Royal, Luxembourg, 21st July, 1989.

On behalf of the Board of Directors General Manager



Issue of up to £100,000,000 Floating Rate Notes due 1992 of which £75,000,000 is being issued as the Initial Tranche

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 30th October, 1989 has been fixed at 13.9375% per annum. The interest accruing for such three month period will be £179,47 per £5,000 Bearer Note, and £1794.69 per £50,000 Bearer Note, on 30th October, 1989 against presentation of Coupon No. 1.



London Branch Agent Bank 28th July, 1989

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, July 31, 1989. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Table with columns: COUNTRY, STG, US \$, D-MARK, YEN, COUNTRY, STG, US \$, D-MARK, YEN. Lists exchange rates for various countries including Afghanistan, Albania, Algeria, etc.

Special Drawing Rights July 28 1989 United Kingdom £1.2261 United States \$1.2617 Germany West 0 Mark 2.4044 Japan Yen 178.777 European Currency Unit July 31 1989

Abbreviations: (a) Free rate; (b) Baseline rate; (c) Commercial rate; (d) Controlled rate; (e) Essential imports; (f) Financial rate; (g) Export; (h) Non commercial rate; (i) Business rate; (j) Bond rate; (k) Treasury rate; (l) Official rate; (m) Market rate; (n) Official rate; (o) Selling rate; (p) Tourist rate.

INTERNATIONAL CAPITAL MARKETS

Junk bond yields 'offset default risk in recession'

By Norma Cohen THE HIGH yields on junk bonds providing sufficient returns to investors to make buying a well-diversified portfolio worthwhile, even under recessionary economic conditions, according to a recent study commissioned by a group of junk bond issuers.

Euromarket growth slows sharply

By Katharine Campbell THE INTERNATIONAL bond market is growing at a significantly reduced rate, according to a report published by Salomon Brothers, the US securities house.

TRADE INDEMNITY THE CREDIT RISK MANAGERS

Advertisement for Trade Indemnity, featuring George D. Gould, former Undersecretary of the U.S. Treasury Department, and Klingenstein, Fields & Co., L.P.

Advertisement for IFV Power Company, Copenhagen, offering floating rate notes due 1994.

Advertisement for Diamond Capital Ltd, offering unit trusts.

Advertisement for Base Metals, offering a financial survey on 14 October 1989.

Advertisement for Ireland, offering a financial survey on August 25th 1989.

Advertisement for Edward Macquisten, offering a financial survey on 2nd October 1989.

FT INTERNATIONAL BOND SERVICE

Table of international bond yields and prices, including US Dollar, Yen, and other currencies, with columns for bond type, yield, and price.

INTERNATIONAL CAPITAL MARKETS

US Treasuries sustain earlier rally

By Karen Zagor in New York and Katharine Campbell in London

US TREASURY bonds extended their previous week's rally in a market which remains bullish after last week's indications that the Federal Reserve has eased monetary conditions.

GOVERNMENT BONDS

Treasury's bellwether 30-year bond was up 1/4 point at 110 1/2, yielding 7.94 per cent. Before last Friday, the yield on the long bond had not fallen below 8 per cent since April 1987.

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Bid Date, Price, Change, Yield, Week 92, Month 92. Rows include UK Gilts, US Treasury, Japan, Germany, France, Canada, Netherlands, and Australia.

Leading commercial banks lowered their prime lending rate yesterday by 1/4 point to 10 1/2 per cent. In the cash market, the 10-year 8 1/4 per cent tap stock closed to yield 8.37 per cent.

has been outpaced by the US Treasury rally can be read in the spreads, the narrowest for more than two years. With Treasuries barely 150 basis points over bonds they are at levels not seen since March 1987.

THE Dutch market breached a key resistance level on the benchmark state loan, which yesterday fell through the 7.00 per cent barrier to yield 6.9 per cent.

UK gilt-edged securities rose in tune with other bond markets in early trading, but profit-taking ensured the market closed only a fraction stronger on the day.

Managers forecast pick up after quiet day

By Andrew Freeman

EUROBOND MARKETS had one of their quietest days of recent weeks yesterday, with traders reporting limited activity.

INTERNATIONAL BONDS

In several sectors and were forecasting brisker business later this week. Late in the day in France, Credit Commercial de France (CCF) was the lead manager of a FF1bn 10-year deal for Eurofima.

NEW INTERNATIONAL BOND ISSUES

Table with columns: Amount in \$, Coupon %, Price, Maturity, Fees, Book runner. Rows include Kingdom of Denmark, Nishin Steel, Swiss Francs, French Francs, Swedish Krona, and Dejarfina du Quebec.

were not swapped, with borrowers apparently pleased to lock in funds for historically low fixed costs of below 9 per cent. Elsewhere, Nomura International brought through a \$150m five-year bullet-maturity deal for the Kingdom of Denmark to a better than average reception.

deal launched for Nishin Steel by Nomura International made a strong debut, trading up to 106 1/4 bid, a stunning premium to the par issue price. Nishin also launched a convertible deal in Switzerland via Banque Paribas.

Almac's Inc. has been acquired by an affiliate of The Yucaipa Companies. C. J. Lawrence, Morgan Grenfell Inc. New York. MORGAN GRENELL.

U.S. \$100,000,000 FIDELITY FEDERAL SAVINGS AND LOAN ASSOCIATION. Collateralized Floating Rate Notes Due 1992. Interest Rate 8 1/2% per annum. Interest Period 31st July 1989 to 31st October 1989.

Simmer and Jack Mines Limited. Interim report. 6750 000 shares of 2 cents each fully paid. Report of directors for the six months ended 30 June 1989.

THE BANK OF NOVA SCOTIA. £100,000,000 Floating Rate Debentures 2000. Issue Price 100.10 per cent.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table with columns: Index No., Day's Change %, Est. Earnings Yield (%), Gross Yield (%), P/E Ratio, etc. Rows include EQUITY GROUPS & SUB-SECTIONS and FIXED INTEREST.

LONDON-MARKET STATISTICS

Table with columns: Rises, Falls, Same. Rows include British Funds, Corporations, Domestics and Foreign Bonds, etc.

LONDON RECENT ISSUES

Table with columns: Issue Price, Amount, Latest, etc. Rows include EQUITIES and FIXED INTEREST STOCKS.

RIGHTS OFFERS

Table with columns: Issue Price, Amount, Latest, etc. Rows include EQUITIES and FIXED INTEREST STOCKS.

LONDON TRADED OPTIONS

Table with columns: Index, Calls, Puts, etc. Rows include FT-SE 100 SHARE INDEX, C & W, etc.

Reporting under 2303.4, 10 pm 2319.4, 11 pm 2315.4, Noon 2315.4, 1 pm 2310.4, 3 pm 2311.4, 3.30 pm 2308.4, 4 pm 2303.4.

For rate indications see and of London Share Service. Cables in Dominion Int. Stand & Chart, P.M.L., Cadbury, B.A.T.

FT-SE 100 SHARE INDEX (2303.4) 2303.4, 2303.4, 2303.4, 2303.4, 2303.4, 2303.4, 2303.4, 2303.4, 2303.4, 2303.4.

UK COMPANY NEWS

Share price falls as directors issue warning of stagnation in US and UK markets
Lex Service edges ahead 5% to £36.8m

By John Thornhill
SHARES IN Lex Service, the vehicle and electronic components distributor, yesterday fell 14p to 369p as the directors expressed caution over current trading together with the announcement of virtually static interim profits.



Lex service group
Share price (pence)
500
400
300
200
1985 86 87 88 89

47,700 vehicles. But Lex said it was feeling the effect of higher interest rates and lower residual values on used cars.

● **COMMENT**
Lex has had a tough time this half, but tougher still will be the half ahead. Lex was cautious on almost every front yesterday, but it especially

distribution business would affect second half profits. The poor returns on both the electronics and computer systems businesses once again raises the question of whether they are worth the struggle, but Lex was yesterday keen to stress that it is determined to finish what it has started.

Crystallite sees second-half fall

By Philip Coggan
CRYSTALLITE HOLDINGS, the electronics components company, yesterday made its second profits warning in two years when it indicated that its second half results would be significantly below expectations.

that poor demand in the US automotive and computer peripherals markets affected its IROC subsidiary. Mr Eade said he did not expect the US market to improve soon.

Bank of Ireland sells \$40m Mexican debt

By Stephen Fidiar, Euromarkets Correspondent
THE BANK OF IRELAND said yesterday it had sold \$40m (£24m) of Mexican sovereign debt, reducing its Latin American loan book to a mere \$4m and its sovereign debt exposure to all rescheduling countries to \$27m.

Polygram to purchase Island Records

By John Riddling in London and David Brown in Amsterdam
POLYGRAM, the record industry subsidiary of Philips, the Dutch electronics group, is expected to announce today that it is buying Island Records, one of the world's largest independent record companies.

Both Island and Polygram confirmed yesterday that they were holding talks and said that an announcement would be made this morning. However, they refused to comment on whether a deal has been finalised and on the sums involved.

Blacks Leisure bids £32m for Goldberg

By Nikki Fair
A £32m BID battle broke out yesterday between Blacks Leisure, the sports and leisurewear retailer, and a former higher-filer in the bull market, and Goldberg, the Glasgow-based fashion retailer.

Blacks announced yesterday morning that it was making an all-paper offer for Goldberg, offering 22 of its shares for each Goldberg share.

Blacks argued that its management would strengthen Goldberg's operations, make better use of the trading space - moving its own subsidiaries into some of the outlets - and that its textile operations could help on the design and merchandising side.

It suggested yesterday that if two Goldberg freehold sites in Edinburgh and Glasgow were sold for around £12m - well above book value - debt for the merged group could be around £22m compared with net assets after reorganisation costs of around £30m.

ADDISON DESIGN DIVISION SOLD TO MANAGEMENT

Table with columns: Current payment, Date of payment, Cornea- pending dividend, Total for year, Total last year. Rows include BBB Design, DGB Management, Excellair Group, Maxwell Comm, Prism Leisure, TR Trustee, and Transrap.

ADDISON DESIGN DIVISION SOLD TO MANAGEMENT

By Ray Bashford
Addison Consultancy, the market research group, has completed protracted negotiations for the sale of the design division to its management for \$5m.

ROYAL BANK PLANS ISSUES TO STRENGTHEN CAPITAL BASE

By David Lascelles, Banking Editor
THE ROYAL BANK OF SCOTLAND Group is proposing a series of steps to strengthen its capital base.

Pearson Buys French Medical Publisher

Pearson, the publishing, banking and industrial conglomerate which owns the Financial Times, is expanding its medical publishing interests in France through the acquisition of a 75 per cent stake in the Tonus group for £1.33m.

Blackwood Hodge US Purchases

Blackwood Hodge, the earthmoving and mining equipment distributor, has purchased two dealerships in North America, writes Nick Garnett.

North Sea Assets losses trimmed

North Sea Assets, an investment holding company specialising in oilfield support services, incurred a pre-tax loss of £99,000 in the six months to March 31 1989. The

CORPORATE ENTERTAINMENT. The Financial Times proposes to publish this survey on: 12th September 1989. For a full editorial synopsis and advertisement details, please contact: Wendy Alexander on 01-873 3524/4893 or write to her at: Number One, Southwark Bridge, London, SE1 9HL.

Mr Steve Smith, the former chief executive of Addison, is heading the buy-out of the design company and is paying \$4.73m cash with the balance in loan notes.

COMPANY NEWS IN BRIEF

ANGLO UNITED has received acceptances representing 59.8 per cent of Coalite, its bigger competitor in the fuel distribution business. Let Friday the company announced that it held slightly over 50 per cent following the revised offer of 47p cash per share or a cash and shares alternative.

Downturn at Prism

Prism Leisure Corporation returned profits of \$569,000 previous to the 12 months to end-March, a downturn of £113,000 on the previous year. Profits for the second six months fell by £158,000.

MONTHLY AVERAGES OF STOCK INDICES

Table with columns: Financial Times, Government Securities, Fixed Interest, Ordinary, Gold Mining, SEAC Berleups (5 p.m.), FT-Actuaries, Industrial Group, 800 Share, Financial Group, All-Share, FT-SE 100. Rows show data for July, June, May, Apr.

LONDON SECURITIES PLC. Chairman's Statement August 1989. Record pre-tax profits for the third successive year - continuity of momentum and growth which has been consistent features in recent years. Bar chart showing Pre-tax Profits (£m) for 1987 (1,606), 1988 (4,214), 1989 (6,225). Earnings per share (p) for 1987 (2.6), 1988 (5.2), 1989 (6.8).

Souza Cruz doubles net profit to £63m

Souza Cruz, the 75 per cent-owned subsidiary of IAT Industries, one of Brazil's largest companies, yesterday said net profit for the six months to June 30 more than doubled to £63m using current conversion rates.

JACOBS (JOHN D): Turnover for first half of 1989 was £1.92m (£1.57m) and pre-tax profit £214,000 (£289,000). Earnings 1.5p (1.21p) and interim dividend 1.5p (same). LONDON W: Net income £769,726 (£597,520). Earnings per 25p income share 6.5176p (5.0594p) and interim dividend 6.5176p (5.0594p).

DRG selling in NZ

DRG, the stationary and packaging group, is selling its New Zealand Canon business machine operations.

ENERGY INTERNATIONAL N.V. (Incorporated with Limited Liability in the Netherlands Antilles). Shareholders in the Fund are advised that payment of a dividend of US\$2.00 per share for the year ended 31st March, 1989, has been approved by the Annual General Meeting held on 31st July, 1989.

LONDON STOCK EXCHANGE

Equity sector changes into reverse

PROFIT-TAKERS finally gained the upper hand in late trading on the London stock market yesterday and the FT-SE 100 index, regained only on Friday...

was due for another strong rise this week. The early gain of nearly 14 points took the Footsie to just under 2,320...

The market then faltered and gave back more than half its rise before trying to move higher again. The second advance soon lost impetus...

Underlying confidence remained relatively high, however, and traders were quick to point out that yesterday was "a very slow day indeed."

Despite yesterday's sluggishness, the market remained poised for another major bid development, perhaps on the Plessey/GEC front.

Footsie newcomer in demand

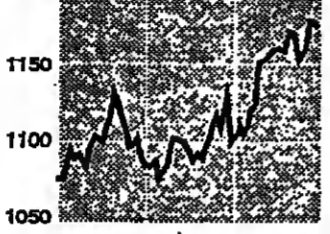
Trading in newly-formed SmithKline Beecham took off on the opening day of its first public offering...

SKBeecham has been trading for several weeks in a when-issued form, but its entry last week into the FT-SE 100 drew the attention of buyers...

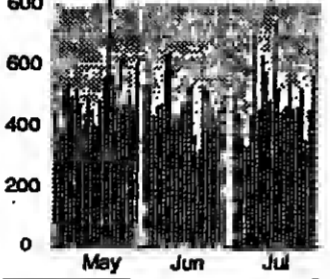
New ICI doubts

ICI stock was weak against the early trend of the market as analysts reconsidered recent forecasts in the light of last week's interim figures...

FT-A All-Share Index



Equity Shares Traded



Standard Chartered, upset last week after a negative note by Nomura Research made progress to close 10 ahead at 54p...

Among insurers, Sun Alliance enjoyed a turnover of 2.3m and rose 7 to 310p in the wake of some determined support from one quarter...

There was good support for Istock, 165p, Caradon, 345p, Meyer, 402p, and Wolsey, 290p, after a Hoare Govett note highlighting the possibility of takeover action...

Group, and a possible cash call, left the stock 4 off at 15p. The day's two new issues made successful debuts...

Beazer closed a penny lower at 180p, in spite of strong suggestions in the market that a bid of 9/8m shares was being placed...

The performance of the Gold-berg share price, now only 3 to 178p and still well below the offer price, suggested that the market expects the Blacks bid to fail...

FINANCIAL TIMES STOCK INDICES

Table of stock indices including Government Securities, Fixed Interest, Ordinary Share, SEAD Indices, FT-SE 100 Share, Ord. Div. Yield, and S.E. ACTIVITY. Includes columns for Index, High, Low, and % Change.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for major stocks such as British Airways, BT, British Telecom, and others. Includes columns for Volume, Price, and % Change.

NEW HIGHS AND LOWS FOR 1989

- List of new highs and lows for various companies including British Airways, BT, British Telecom, and others.

APPOINTMENTS

- List of appointments for Mr Geoffrey R. Dale, Mr David Wallings, Mr David Brooks, and others.

- List of appointments for Mr Jim Begg, Mr Neil Patterson, Mr Ian Franks, Mr Stephen Bridges, Mr John Bennett, Mr Ian Leatham, and others.

Chairman of Pickwick

Mr Ivor Schlossberg, chief executive of PICKWICK GROUP, has been appointed chairman and chief executive following the retirement of Mr Monty Lewis.



Mr Geoffrey R. Dale (left) has been appointed group personnel director of CADBURY SCHWEPPEPS. He was group compensation and benefits director...

Advertisement for 'A GUIDE TO FINANCIAL TIMES STATISTICS'. Includes headline 'Making the FT work even harder for you', sub-headline 'A GUIDE TO FINANCIAL TIMES STATISTICS', and order form with fields for name, address, and payment details.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

AUTHORISED UNIT TRUSTS

Main table containing unit trust names, codes, and prices. Includes sub-sections like 'GUIDE TO UNIT TRUST PRICING' and 'UNIT TRUSTS'.

July 1989

Johnnie Lita

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cyteline. To obtain your free Unit Trust Code Booklet ring the FT Cyteline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, and Yield. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

Table listing various UK unit trusts such as Balfour Beatty, British American, and others, with their respective prices and yields.

INSURANCES

Table listing insurance-related unit trusts and their details, including AA Friendly Society and Abbey Life Assurance Co Ltd.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2125

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'MANAGEMENT SERVICES' and 'OFFSHORE AND OVERSEAS'.

Johnnie Lito

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service listing various unit trusts with columns for Name, Price, Yield, and other financial metrics.

BRITISH FUNDS

Table of British Funds listing various funds with columns for Name, Price, Yield, and other financial metrics.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans listing various loan products with columns for Name, Price, Yield, and other financial metrics.

BRITISH FUNDS - Contd

Continuation of British Funds table listing various funds with columns for Name, Price, Yield, and other financial metrics.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails listing various international bond and rail investments with columns for Name, Price, Yield, and other financial metrics.

INT. BANK AND O'SEAS

Table of International Bank and Overseas funds listing various global investment options with columns for Name, Price, Yield, and other financial metrics.

MONEY MARKET BANK ACCOUNTS

Table of Money Market Bank Accounts listing various banking and investment services with columns for Name, Price, Yield, and other financial metrics.

NOTES: Rates are shown above from composite rates of the London Interbank Offered Rate (LIBOR) for 3 months.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-625-2128

AMERICANS - Contd

Table listing American companies with columns for Stock, Price, and % Change.

BUILDING, TIMBER, ROADS - Contd

Table listing companies in the Building, Timber, and Roads sectors with columns for Stock, Price, and % Change.

DRAPERY AND STORES - Contd

Table listing companies in the Drapery and Stores sectors with columns for Stock, Price, and % Change.

ENGINEERING - Contd

Table listing companies in the Engineering sectors with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.) - Contd

Table listing miscellaneous industrial companies with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.) - Contd

Table listing miscellaneous industrial companies with columns for Stock, Price, and % Change.

CANADIANS

Table listing Canadian companies with columns for Stock, Price, and % Change.

ELECTRICALS

Table listing electrical companies with columns for Stock, Price, and % Change.

FOOD, GROCERIES, ETC

Table listing food, grocery, and other companies with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies with columns for Stock, Price, and % Change.

BANKS, HP & LEASING

Table listing banks, hire purchase, and leasing companies with columns for Stock, Price, and % Change.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for Stock, Price, and % Change.

DRAPERY AND STORES

Table listing drapery and stores companies with columns for Stock, Price, and % Change.

ENGINEERING

Table listing engineering companies with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies with columns for Stock, Price, and % Change.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies with columns for Stock, Price, and % Change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads companies with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.)

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Table listing miscellaneous industrial companies with columns for Stock, Price, and % Change.

INSURANCES

Table listing insurance companies with columns for Stock, Price, and % Change.

Handwritten signature 'J. P. Lito' at the bottom center of the page.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Lower rates weaken dollar

SENTIMENT SURROUNDING the dollar remained weak yesterday on speculation that US interest rates will continue to move down as the US economy slows and a recession threat...

cent to 10 1/2 per cent, and speculation increased that the Federal Reserve is easing its monetary stance. Earlier suggestions that Fed had a target for Federal funds rate below 9 per cent were not supported by yesterday's action...

generally forecast to be below the June rise of 180,000. Lack of enthusiasm for the dollar encouraged an increase in cross rate trading, and a weakening of the D-Mark against the Japanese yen. High yielding currencies showed benefit from the decline of the dollar...

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates for various countries including Belgium, Denmark, France, Germany, Greece, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, and UK.

STERLING INDEX

Table showing Sterling Index values for various currencies and time periods (July 31, Latest, Previous Close).

CURRENCY RATES

Table showing Currency Rates for various currencies including US Dollar, British Pound, Japanese Yen, etc.

CURRENCY MOVEMENTS

Table showing Currency Movements for various currencies including Sterling, US Dollar, Canadian Dollar, etc.

OTHER CURRENCIES

Table showing Other Currencies including Argentina, Australia, Brazil, Canada, etc.

MONEY MARKETS

Short credit supply

SHORT-TERM rates nudged slightly higher on the London money market yesterday in a technical move in response to a large day-to-day credit shortage. The longer end of the market was little changed, steepening the reversed yield curve and suggesting that the top of the present interest rate cycle may have been reached.

hands, repayment of late assistance and a take-up of Treasury bills drained £1.136m, with Exchequer transactions absorbed by the Bank of England. These factors outweighed a fall in the note circulation adding £485m to liquidity.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for 3 months and 6 months US dollars.

MONEY RATES

Table showing Money Rates for New York, including Treasury Bills and Bonds, and London Money Rates.

LONDON MONEY RATES

Table showing London Money Rates for various currencies and time periods.

FINANCIAL FUTURES

Short sterling looks expensive

SHORT STERLING futures weakened on Life yesterday as the equivalent cash rate moved slightly firmer on the London money market and traders began to suspect the price of September short sterling is looking increasingly expensive.

today's cash rate of 13 1/2 per cent, giving an equivalent futures price of 86.12. This suggests that yesterday's price was showing a substantial amount of optimism about a reduction in base rates over the next six weeks.

that the authorities were deliberately keeping the market tight to deter speculation about lower interest rates. The reason for the Bank of England's method of operation was in fact, probably technical. Today's repayment of yesterday's lending will combine with earlier repurchase agreements...

LIFFE LONG GILT FUTURES

Table showing LIFFE Long Gilt Futures prices for various maturities.

LIFFE EURO DOLLAR FUTURES

Table showing LIFFE Euro Dollar Futures prices for various maturities.

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PLANT & MACHINERY

Advertisement for Clearance Forklifts over 100 mm go, ELEC - GAS - DIESEL - SIDELOADERS - REACH TRUCKS.

BUSINESS WANTED

Advertisement for Recruitment Advertising, National Distributor of Security Products, and Clubs.

INTERNATIONAL FUND MANAGEMENT

Advertisement for International Fund Management, including financial data and contact information for Richard Beccle.

JOTTER PAD

Advertisement for Jotter Pad, a note-taking device.

CROSSWORD

Crossword puzzle grid and clues.

Additional crossword puzzle clues and solutions.

WORLD STOCK MARKETS

AUSTRIA

Table of Austrian stock market data for July 31, listing various companies and their prices.

FRANCE (continued)

Table of French stock market data for July 31, listing various companies and their prices.

GERMANY (continued)

Table of German stock market data for July 31, listing various companies and their prices.

ITALY (continued)

Table of Italian stock market data for July 31, listing various companies and their prices.

NETHERLANDS

Table of Dutch stock market data for July 31, listing various companies and their prices.

SWITZERLAND

Table of Swiss stock market data for July 31, listing various companies and their prices.

SPAIN

Table of Spanish stock market data for July 31, listing various companies and their prices.

SOUTH AFRICA

Table of South African stock market data for July 31, listing various companies and their prices.

NORWAY

Table of Norwegian stock market data for July 31, listing various companies and their prices.

FINLAND

Table of Finnish stock market data for July 31, listing various companies and their prices.

DEMARK

Table of Danish stock market data for July 31, listing various companies and their prices.

NETHERLANDS

Table of Dutch stock market data for July 31, listing various companies and their prices.

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Table of Dutch stock market data for July 31, listing various companies and their prices.

JAPAN

Table of Japanese stock market data for July 31, listing various companies and their prices.

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Table of Japanese stock market data for July 31, listing various companies and their prices.

CANADA

Table of Canadian stock market data for July 31, listing various companies and their prices.

INDICES

Table of various stock indices for July 31, including DOW JONES and others.

CANADA

Table of Canadian stock market data for July 31, listing various companies and their prices.

NEW YORK ACTIVE STOCKS

Table of active stock prices in New York for July 31.

TOKYO - Most Active Stocks

Table of most active stock prices in Tokyo for July 31.

FINLAND

Table of Finnish stock market data for July 31, listing various companies and their prices.

Advertisement for FT hand delivery service in Iceland, including contact information and details about the service.

Advertisement for 'Have your FT hand delivered every day in Switzerland', featuring the Financial Times and contact details for Peter Lancaster.

3pm prices July 31

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing New York Stock Exchange Composite Prices for July 31, 1989. The table is organized into columns for various stock categories and includes columns for stock name, price, and change.



Johnnie Lito

Continued on Page 35

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for 12 Month High, Low, Close, and Change. Includes a section for 'Continued from previous page'.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices listing various stocks with columns for 12 Month High, Low, Close, and Change.

OVER-THE-COUNTER

Nasdaq National Market, 3pm prices July 31

Table of Over-the-Counter prices listing various stocks with columns for 12 Month High, Low, Close, and Change.

Notes and footnotes regarding the data presented in the tables, including information about stock splits and dividends.

Advertisement for 'It's attention to detail' featuring the Marriott logo and text about financial services.

AMERICA

Equities advance further after cuts in prime rates

Wall Street

A WIDELY expected cut in US prime lending rates from 11 per cent to 10.5 per cent helped the equity market advance from Friday's high, writes Karen Zagor in New York.

close of Y198.20 and DMI18315. Both equity and debt markets are now waiting for the release on Friday of July's unemployment data which may signal a further easing of interest rates by the Fed.

\$110%. The issue, which had jumped 23% on Friday, was one of the most active. Bristol Myers was unchanged from Friday's close at \$48.

ASIA PACIFIC

Yen and interest rates push Nikkei to new high

Tokyo

FALLING interest rates coupled with a rising yen supported strong gains in share prices that pushed the Nikkei average to a new high yesterday.

leader and 31 shares reached new highs. Interest continued in housing issues, which have attracted attention on expectations that the strong gains made by the Japan Socialist Party will spur the Government into expanding housing.

Fung Textiles, which sold a block at a 15 per cent discount on Friday, sold another at a 12 per cent discount yesterday.

Roundup

PROPERTY trading and the influence of options markets were the main features in Asia Pacific markets yesterday, mostly to the benefit of share prices.

HONG KONG extended Friday's rise as the relative success of residential property sales on both days fed into sentiment. The Hang Seng index rose by 44.33 points to 2,571.08 after a gain of 33.04 points on Friday.

Foreign shares are those which can be held and registered by foreigners. OCBG foreign closed on a \$1 premium (after \$1.30 earlier) at \$11.30, while UOB foreign finished at \$8.65 after \$8.50 for "local" shares.

Slowdown in US sets off spate of records

By Alison Maitland

MARKETS IN PERSPECTIVE

Table with columns: % change in local currency, 1 Week, 4 Weeks, 1 Year, Start of 1989, % change in starting 1989. Rows include Austria, Belgium, Denmark, Finland, France, West Germany, Ireland, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, UK, EUROPE, Australia, Hong Kong, Japan, Malaysia, New Zealand, Singapore, Canada, USA, Mexico, South Africa, WORLD INDEX.

A STRONG week for equity markets triggered a spate of records around the world last week as investors took comfort from slower economic growth in the US and signs that inflationary pressures are easing.

land up by the same amount. Poor second quarter figures from Norsk Hydro, which makes up 40 per cent of the FT-A Norway Index, triggered Oslo's retreat - the only fall among the 24 countries covered.

EUROPE

Holidays take their toll of trading volume

THE summer holidays seemed to have arrived in European bourses yesterday, with trading volumes subdued and movements restricted, writes Our Markets Staff.

FrF1.5bn, compared with Friday's FrF2.7bn, but yesterday's figure may have been higher than that because of the expiry of options.

Chemicals were in the spotlight again, with investors pushing Akzo up Fr1.10 to Fr1.44.70 on expectations of a 10 to 15 per cent rise in second quarter earnings on Thursday.

MILAN recovered after a weak start, and the Comit index ended 0.49 higher at 330.59 in moderate volume estimated at L195bn.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns: NATIONAL AND REGIONAL MARKETS, FRIDAY JULY 28 1989, THURSDAY JULY 27 1989, DOLLAR INDEX. Rows include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Korea, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, USA, Europe, Nordic, Pacific Basin, Euro-Pacific, North America, Europe Ex UK, Pacific Ex Japan, World Ex US, World Ex UK, World Ex So. Af., World Ex Japan, The World Index.

Financial Times Guides to... A GUIDE TO FINANCIAL TIMES STATISTICS, FT GUIDE TO INVESTMENT TRUSTS, INVESTOR'S GUIDE TO THE STOCKMARKET, FT GUIDE TO UNIT TRUSTS, INVESTING FOR BEGINNERS, FT GUIDE TO ALTERNATIVE INVESTMENTS. Includes an ORDER FORM and contact information.